NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8420)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors of Nexion Technologies Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries for the year ended 31 December 2025. This announcement, containing the full text of the 2025 annual report of the Company (the "**Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to information to accompany preliminary announcement of annual results. Printed version of the Company's the Annual Report will be delivered to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at http://nexion.com.hk in due course.

By order of the Board
Nexion Technologies Limited
Kenneth Vun
Chairman and Executive Director

Malaysia, 27 March 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Kenneth Vun and Mr. Ong Gim Hai; and three independent non-executive Directors, namely Ms. Lim Joo Seng, Mr. Lynch Stephen Joseph Chor and Mr. Yeung Chun Yue David.

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 website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at http://nexion.com.hk.

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Annual Report 2025

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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.

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the "Directors") of Nexion Technologies Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the "Group"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.

Corporate Information

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1910, 19/F, C C Wu Building
302-308 Hennessy Road
Wan Chai
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

A-2-3, Block A, Jalan Pju 1A/3J
Taipan 1, Ara Damansara
47301 Petaling Jaya, Selangor
Darul Ehsan
Malaysia

COMPANY SECRETARY

Ms. Wong Po Lam, *CPA (HKICPA)*

AUTHORISED REPRESENTATIVES

Mr. Ong Gim Hai
Ms. Wong Po Lam, *CPA (HKICPA)*

BOARD OF DIRECTORS

Executive Directors

Mr. Kenneth Vun *(Chairman)*
(Appointed on 12 May 2025)
Mr. Ong Gim Hai
(Ceased as Chairman on 12 May 2025)

Non-executive Director

Mr. Roy Ho Yew Kee
(Resigned on 30 June 2025)

Independent Non-executive Directors

Ms. Lim Joo Seng
Mr. Lynch Stephen Joseph Chor
(Appointed on 30 June 2025)
Mr. Yeung Chun Yue David
Mr. Tang Chak Lam Gilbert
(Resigned on 30 June 2025)

AUDIT COMMITTEE

Ms. Lim Joo Seng *(Chairman)*
Mr. Lynch Stephen Joseph Chor
(Appointed on 30 June 2025)
Mr. Yeung Chun Yue David
Mr. Tang Chak Lam Gilbert
(Ceased on 30 June 2025)

REMUNERATION COMMITTEE

Mr. Lynch Stephen Joseph Chor *(Chairman)*
(Appointed on 30 June 2025)
Mr. Kenneth Vun
(Appointed on 30 June 2025)
Mr. Yeung Chun Yue David
Mr. Tang Chak Lam Gilbert *(Chairman)*
(Ceased on 30 June 2025)
Mr. Roy Ho Yew Kee *(Ceased on 30 June 2025)*

NOMINATION COMMITTEE

Mr. Lynch Stephen Joseph Chor *(Chairman)*
(Appointed on 30 June 2025)
Ms. Lim Joo Seng
Mr. Ong Gim Hai
Mr. Tang Chak Lam Gilbert *(Chairman)*
(Ceased on 30 June 2025)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

DBS Bank Singapore Branch
OCBC Wing Hang Bank Limited Hong Kong Branch
United Overseas Bank Malaysia Branch

AUDITOR

Forvis Mazars CPA Limited
42/F, Central Plaza
18 Harbour Road
Wan Chai
Hong Kong

COMPANY'S WEBSITE

http://nexion.com.hk

Chairman's Statement

I would like to express my sincere gratitude to the shareholders (the "Shareholders") for their continued support and confidence in Nexion Technologies Limited (the "Company") over the years. On behalf of the board of directors (the "Board") of the Company, it is my honor to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 ("FY2025").

REVIEW

During FY2025, the Group maintained its focus on its core business of providing cyber security solutions and Information Technology ("IT") software development services, primarily serving markets in Hong Kong, Malaysia and Singapore. I am pleased to report that the Group achieved a significant increase in revenue, which rose by approximately HK$10,636,000 or 80.3% to approximately HK$23,888,000 for FY2025, compared to approximately HK$13,252,000 in the year ended 31 December 2024 ("FY2024"). This robust growth reflects the successful implementation of new business initiatives throughout FY2025. Key drivers of this positive performance included (i) the strategic cooperation agreement entered into with a leading cloud hosting provider in Malaysia, which enhances our opportunities to participate in tenders and negotiations for high-value and profitable projects; (ii) the establishment of partnerships with corporations across various industries; and (iii) the diversification of our product lines. These initiatives have collectively strengthened our market position and broadened our customer base.

In light of the prolonged underperformance of the Group's software-as-a-service ("SaaS") business, the Group disposed of all subsidiaries engaged in SaaS during FY2025. This strategic decision enables the Group to concentrate its resources and efforts exclusively on the cyber security solutions and IT software development business, which offers greater growth potential and profitability. We believe this focused approach will enhance operational efficiency, improve financial health, sharpen our competitive advantage and drive sustainable growth.

Further details of the Group's performance, achievements and financial analysis for FY2025 are set out in the sections titled "Chief Executive Officer's Review" on pages 6 to 8 and "Management Discussion and Analysis" on pages 13 to 17 of this report.

OUTLOOK

Looking ahead, we remain optimistic about the Group's future prospects. We will continue to invest in the refinement of our self-developed Visitor Management System ("VMS") and Senior Care Management System ("SCMS"), thereby strengthening our position within the community care and healthcare sectors. The Group will actively pursue strategic collaborations and partnerships, diversify its product lines and enhance service offerings to support our growth ambitions.

Our unwavering commitment to delivering high-quality cyber security solutions strategically positions the Group to capitalise on the growing demand for cyber security and smart technology services across Southeast Asia and beyond. We remain steadfast in our dedication to creating sustainable value for both our Shareholders and stakeholders. Moving forward, the Group will proactively explore synergistic opportunities and maintain strategic flexibility to adapt its business approaches in response to dynamic market conditions, with the overarching objective of maximising Shareholder value.

APPRECIATION

On behalf of the Company, I would like to take this opportunity to extend my heartfelt appreciation to our Shareholders and business partners for their unwavering confidence and support. I also wish to thank the Board, management and all employees for their dedication and contributions, which have been instrumental in overcoming the challenges faced during FY2025. Going forward, the Group will continue to explore new opportunities and uphold the strength and resilience of its business, optimizing its corporate strategy to achieve robust business results and create lasting value for Shareholders and stakeholders alike.

Kenneth Vun
Chairman of the Board

Malaysia, 27 March 2026

Chief Executive Officer's Review

It is my pleasure to report on the Group's business performance for FY2025.

Our Group is principally engaged in provision of cyber security solutions and IT software development business, with its primary markets located in Hong Kong, Malaysia and Singapore. Following the completion of the disposal of the entire equity interests in Big Focus Investment Limited ("Big Focus") and its subsidiaries (collectively, the "Big Focus Group"), as well as Rich Joy International Holdings Limited ("Rich Joy") and its subsidiaries (collectively, the "Rich Joy Group") on 29 December 2025, the Group has no longer engaged in the software-as-a-service ("SaaS") business.

As a dynamic force at the forefront of technological innovation, we are dedicated to delivering cutting-edge cyber security solutions that enable businesses to operate securely in the digital era. With the strategic objective of becoming a leading player in the local digital collaboration and workflow digitalisation platform sector, the Group has continued to drive digital transformation and scalability for clients primarily in Hong Kong, Malaysia and Singapore. Furthermore, the Group aims to expand its presence by establishing offices across the Asia-Pacific region.

In 2022, we launched our proprietary VMS, which was further enhanced in 2023 into a comprehensive SCMS and smart healthcare platform. This integrated solution provides a consolidated platform for managing residents or participants of eldercare facilities, ranging from senior activity centres to nursing homes.

Cyber Security Solutions and IT Software Development Segment

For FY2025, the reportable segment results (adjusted earnings before interest, taxes, depreciation and amortisation ("Adjusted EBITDA")) in the cyber security solutions segment and IT software development segment were profit of approximately HK$1,446,000 *(FY2024: loss of approximately HK$3,665,000)*. This improvement was primarily driven by increased revenue from this business segment.

During FY2025, the Group achieved a remarkable increase in revenue from this segment, which rose by approximately HK$10,636,000 or 80.3% from approximately HK$13,252,000 for FY2024 to approximately HK$23,888,000 for FY2025. This substantial growth was largely attributable to the successful implementation of new business initiatives, including the strategic cooperation agreement entered into with a leading cloud hosting provider in Malaysia, the establishment of partnerships with corporations across various industries and the diversification of our product lines.

Beyond the ongoing optimisation of the VMS and SCMS platforms, the Group has actively pursued strategic initiatives aimed at fostering sustainable growth, expanding market share and strengthening its position within the IT industry. Key strategies include broadening business collaborations and diversifying product offerings, all with the objective of creating long-term value for the Shareholders.

During FY2025, the Group entered into a strategic cooperation agreement with a leading cloud hosting provider in Malaysia, establishing a comprehensive and in-depth partnership in the field of graphics processing unit (GPU) service hosting and related services for the term from January 2025 to December 2026 (the "Strategic Cooperation Agreement"). This collaboration enhances the Group's opportunities to participate in tenders and negotiations for high-value and profitable projects. In the long term, the partnership is expected to expand the Group's market reach, bolster its credibility and strengthen its market position within the IT industry. During FY2025 and up to the date of this report, the Group secured multiple projects through this Strategic Cooperation Agreement and successfully diversified its product offerings, including the development of IT software focused on AI-driven business support systems.

Additionally, the Group has formed a partnership with a prominent Malaysian accounting software provider, which serves over 240,000 companies across various industries (the "Accounting Software Provider"). This alliance is anticipated to drive continued growth in the Group's customer base. The ongoing implementation of e-invoicing is prompting many businesses to upgrade their accounting systems, thereby increasing demand for the Group's IT security and hosting services. Furthermore, this partnership presents opportunities for cross-selling complementary products, including antivirus solutions and networking equipment. During FY2025 and up to the date of this report, the Group secured multiple projects through this collaboration and successfully diversified its clientele into the logistics sector. Leveraging the Accounting Software Provider's extensive network, the Group is confident in its ability to further penetrate new industries such as catering and manufacturing.

Moreover, the Group has continuously expanded the VMS and SCMS clientele within the community care and healthcare sectors during FY2025. In addition to ongoing projects with Ren Ci Hospital and Tan Tock Seng Hospital, notable new clients include the Singapore Cancer Society ("SCS"). The engagement of SCS as a client represents a significant milestone for the Group. As a leading provider of cancer care services in Singapore, securing SCS as a client marks an important step in the Group's strategic expansion within the community care and healthcare landscape. This engagement enables our digitalisation services to reach a wider and more diverse range of organisations and beneficiaries, providing a strong foundation for the Group's pipeline in coming years.

SaaS Segment (Discontinued)

For FY2025, the reportable segment result (Adjusted EBITDA) in the SaaS segment was a loss of approximately HK$232,000 *(FY2024: loss of approximately HK$7,291,000)*. This improvement was primarily attributable to a reduction in operational activities aimed at mitigating ongoing losses, as well as a decrease in the recognition of provision for impairment loss on intangible assets to nil, compared to approximately HK$3,859,000 for FY2024.

Taking into account, among other factors, (i) prolonged underperformance of the Group's SaaS business, together with its unfavorable outlook and negative operating results, as evidenced by Big Focus Group and Rich Joy Group' financial information for the year ended 31 December 2023, FY2024 and the nine months ended 30 September 2025; and (ii) the alignment of the Group's strategy to reallocate resources to its core businesses in cyber security solutions and IT software business, on 22 December 2025 (after trading hours), the Company entered into a sale and purchase agreement (the "Agreement") with an independent third party (the "Purchaser") to dispose the entire equity interests in Big Focus and Rich Joy at a total consideration of HK$500,000 (the "Disposal"). The Disposal was completed on 29 December 2025 (the "Completion"). Upon the Completion, the Group has no longer engaged in SaaS business. The Directors are of the view that the terms of the Agreement are on normal commercial terms that are fair and reasonable, and the Disposal is in the interests of our Company and our Shareholders as a whole.

Chief Executive Officer's Review

Prospect

Looking ahead, we anticipate that continued innovation in digital and cyber security solutions, coupled with the implementation of the Cyber Security Act 2024, which came into effect on 26 August 2024 in Malaysia (as detailed in the Company's 2024 annual report), will generate new business opportunities. The Group remains committed to actively exploring synergistic opportunities and adapting its business strategies, particularly in expansion of business collaborations and diversifying product offerings, to drive sustainable growth and maximise our Shareholder value in response to evolving market conditions.

I would like to take this opportunity to express my sincere appreciation to all employees for their diligence and contributions. Our Group achieved notable strategic progress and delivered a strong financial performance for FY2025. A detailed discussion of the Group's financial results for FY2025 is set out in the section headed "Management Discussion and Analysis" on pages 13 to 17 in this report. My gratitude also extends to my fellow Directors for their guidance and to our Shareholders and stakeholders for their continued support.

Ong Gim Hai
Director and Chief Executive Officer

Malaysia, 27 March 2026

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kenneth Vun ("Mr. Vun"), aged 51, has been appointed as an executive Director of the Company and the chairman of the Board (the "Chairman") with effect from 12 May 2025, and has been subsequently appointed as a member of remuneration committee of the Company (the "Remuneration Committee") on 30 June 2025. Mr. Vun is primarily in charge of the Group's overall corporate strategy and daily operations of the Group, including business development and overall management.

Mr. Vun has over 31 years of experience spanning technology, finance, property development, and the food & beverage sectors. He obtained various certifications, including Certified Solutions Consultant Certification (Information Technology) from Intel Corporation, the CompTIA Server+ Certified Professional Certificate from the Computing Technology Industry Association as well as the CIW Associate Certification in Internet and Web Skills from CIW Associates.

Mr. Vun launched his first IT company in Sabah, Malaysia, and swiftly expanded operations into Peninsular Malaysia, Singapore, Hong Kong, and China. In 2012, he founded The V Foundation, a charitable initiative focused on supporting underprivileged communities in Malaysia through education, healthcare, and financial assistance. His philanthropic work complements his business legacy, reinforcing his commitment to long-term societal impact.

In February 2025, Mr. Vun has been appointed as a managing director of XOX Berhad (a company listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), stock code: 0165.KL). Furthermore, in March 2025, Mr. Vun has been appointed as a managing director of Symphony Life Berhad (a company listed on the Bursa Malaysia, stock code: 1538.KL).

Recognised for his visionary leadership and business acumen, Mr. Vun has received numerous accolades, such as the Ernst & Young Entrepreneur of the Year – Top Nominee (2004), Ten Outstanding Young Malaysians (TOYM) Award (2006), and the Asia Pacific Entrepreneurship Awards (APEA) Outstanding Entrepreneur Award (2007). His contributions to the technology industry have also been acknowledged through the Deloitte Technology Fast 500 Asia Pacific ranking (2005) and the PIKOM Malaysia Key Industry Leader Award (2006).

Mr. Ong Gim Hai ("Mr. Ong"), aged 50, has been appointed as an executive Director of the Company with effect from 2 November 2020, and has been subsequently appointed as (i) the Chairman; (ii) the chief executive officer of the Company (the "Chief Executive Officer"); (iii) a member of nomination committee of the Company (the "Nomination Committee"); and (iv) one of the authorised representatives of the Company (the "Authorised Representative") on 31 May 2022. With effect from 30 June 2025, he has ceased as the Chairman. Mr. Ong is primarily in charge of the Group's overall corporate strategy and daily operations of the Group, including business development and overall management.

Mr. Ong has approximate 26 years of experience in information technology and computer industry, helping multi-nationals to establish and to grow operations in the Association of Southeast Asian Nations ranging from start-ups to established organisations. From June 2008 to December 2010, Mr. Ong was an enterprise account manager of VMWare Inc. (a company listed on the New York Stock Exchange, stock code: VMW). From January 2012 to August 2015, Mr. Ong joined Palo Alto Networks Inc. (a company listed on the National Association of Securities Dealers Automated Quotations ("NASDAQ"), stock code: PANW) as a country manager, where he was responsible for managing operations in Malaysia. From August 2015 to December 2016, Mr. Ong was a managing director of Nutanix Inc. (a company listed on the NASDAQ, stock code: NTNX), he was responsible for managing sales operations in Malaysia and Brunei. In August 2017, Mr. Ong was appointed as an independent non-executive director of Key Alliance Group Berhad (a company listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia"), stock code: KGROUP) and was subsequently re-designated to executive director from October 2019 to April 2024.

Mr. Ong graduated from University of Sussex, United Kingdom with a bachelor's degree in Engineering in Electrical and Electronic Engineering in June 1996.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lim Joo Seng ("Ms. Lim"), aged 51, has been appointed as an independent non-executive Director of the Company with effect from 31 May 2017. Ms. Lim is the chairman of the audit committee of the Company (the "Audit Committee") and a member of the Nomination Committee.

Ms. Lim has involved in the finance industry for more than 25 years, having started her career at Sekhar & Tan as a tax assistant from April 1999 to March 2000. Thereafter, she joined Deloitte KassimChan (a member firm of Deloitte Touche Tohmatsu) as an audit senior from May 2000 to December 2003. From February 2005 to February 2010, she joined Deloitte Touche Tohmatsu CPA Ltd. (Shanghai) as a manager. From February 2010 to January 2017, she joined XinRen Aluminium Holdings Limited, a company listed on the main board of the Singapore Exchange Securities Trading Limited in October 2010 and was subsequently privatised in year 2016 and is now a private holding company in Singapore, as a chief financial officer.

In December 2019, Ms. Lim has been appointed as a finance director of Nestcon Berhad (a company listed on the ACE Market of the Bursa Malaysia, stock code: 0235) and has been appointed to the board of the director since August 2020. Since September 2022, Ms. Lim has been appointed as an independent non-executive director of KGW Group Berhad (a company listed on the ACE Market of the Bursa Malaysia, stock code: 0282).

Ms. Lim graduated with a bachelor of commerce from Macquarie University in Sydney, Australia in April 1998, and has been a member of the Malaysian Institute of Accountants and the Certified Public Accountants of Australia since 2003.

Mr. Lynch Stephen Joseph Chor（左提芬）("Mr. Lynch"), aged 44, has been appointed as an independent non-executive Director of the Company with effect from 30 June 2025. Mr. Lynch is the chairman of the Remuneration Committee, the chairman of the Nomination Committee and a member of the Audit Committee.

Mr. Lynch has extensive experience in business management and customer development. He is the co-founder and served as chief executive officer of Inbase Partners Limited since 2018, where he is principally responsible for strategic planning and business direction and building customer relations. He also served as a business development consultant of Spark Co. Limited, a company located in Taipei, since 2018, where he is primarily responsible for new business development and business cooperation maintenance. From 2009 to 2018, he worked as management in various small and medium sized companies and was primarily responsible for business strategy planning.

Since September 2024, Mr. Lynch has been appointed as an independent non-executive director of Top Standard Corporation (a company listed on the GEM of the Stock Exchange, stock code: 8510). Since December 2024, Mr. Lynch has been appointed as an independent non-executive director of Luk Hing Entertainment Group Holdings Limited (a company listed on the GEM of the Stock Exchange, stock code: 8052).

Mr. Lynch obtained his high school diploma in 1997 from Christian Light Education in Virginia, USA. He also completed Blockchain Strategy Programme in Saïd Business School, University of Oxford in 2018.

Biographical Details of Directors and Senior Management

Mr. Yeung Chun Yue David（楊振宇）**("Mr. Yeung")**, aged 44, has been appointed as an independent non-executive Director of the Company with effect from 10 September 2020. Mr. Yeung is a member of the Audit Committee and the Remuneration Committee.

Mr. Yeung has approximate 21 years of experience in accounting and tax advisory. From July 2004 to September 2017, Mr. Yeung worked in Cheng & Cheng Limited, Certified Public Accountants with his last position as a director. From September 2017 to July 2021, he worked in D & Partners CPA Limited with his last position as the managing partner and director. He is currently a committee member of the Panyu Committee of Chinese People's Political Consultative Conference.

Mr. Yeung has been appointed as an executive director and vice chairman of Hatcher Group Limited, a company listed on the GEM of the Stock Exchange, stock code: 8365) since July 2021 and January 2022, respectively; and served as an executive director of Cornerstone Technologies Holdings Limited (a company listed on the GEM of the Stock Exchange, stock code: 8391) from August 2022 to May 2023. He has also been appointed as an independent non-executive director of Aeso Holding Limited (a company listed on GEM of the Stock Exchange, stock code: 8341) since April 2019; SANVO Fine Chemicals Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 301) since December 2019; and TL Natural Gas Holdings Limited (a company listed on GEM of the Stock Exchange, stock code: 8536) since December 2021.

Mr. Yeung graduated from the City University of Hong Kong with a bachelor of business administration in accountancy in November 2004. Mr. Yeung is currently a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants，a member of CPA Australia and a Certified Tax Advisor of the Taxation Institute of Hong Kong.

SENIOR MANAGEMENT

Ms. Ng Li Ying ("Ms. Ng"), aged 41, is the director and chief executive officer of WerkDone. Ms. Ng started her career in admin and finance area where she spent approximate eight years specialising in human resources (HR) and payroll processing and its legal and statutory compliance. With her interest in using system to increase productivity and allow management to make key decision, she was involved in HR and payroll system implementation and HR analytics. In 2018, Ms. Ng was part of the start-up team for WerkDone responsible for creating and implementing organisation policies and managing the HR and finance functions. In January 2025, Ms. Ng has been appointed as the director of WerkDone.

With Ms. Ng's role in corporate governance, she worked with the teams to ensure WerkDone was able to obtain and maintain certifications in ISO27001, Data Protection Trustmark and Cyber Essential mark (Clinical Management System). As Singapore government strives toward a green economy, she works to ensure WerkDone aligns in its environmental, social and governance (ESG). Since 2022, her role has extended to creation and management of the visitor management systems product team which contributes to one of the Group's key revenue generators.

Ms. Ng graduated with a bachelor's degree in biomedical sciences from University of Bradford in the United Kingdom in November 2012; and obtained a diploma in leadership and people management from Kaplan Professional in Singapore in July 2015.

Biographical Details of Directors and Senior Management

COMPANY SECRETARY

Ms. Wong Po Lam（黃寶琳）("Ms. Wong"), aged 35, has been appointed as a company secretary of the Company (the "Company Secretary") and the Authorised Representative with effect from 21 December 2020. She has approximately 13 years of experience in financial reporting, auditing, financial management, corporate secretarial and regulatory compliance in listed companies in Hong Kong. Ms. Wong obtained a bachelor's degree in Accounting from City University of Hong Kong, she is also a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from the provision of the cyber security solutions and IT software development business. For FY2025, the Group recorded a total revenue of approximately HK$23,888,000 *(FY2024: approximately HK$13,252,000)*, represented an increase of approximately HK$10,636,000 or 80.3%.

This substantial growth was largely attributable to the successful implementation of new business initiatives, including (i) the strategic cooperation agreement entered into with a leading cloud hosting provider in Malaysia, which enhances the Group's opportunities to participate in tenders and negotiations for high-value and profitable projects; (ii) the establishment of partnerships with corporations across various industries; and (iii) the diversification of the Group's product lines.

Cost of inventories sold

The Group's cost of inventories sold increased from approximately HK$6,736,000 for FY2024 to approximately HK$6,955,000 for FY2025. The increase was mainly due to the increase in the number of purchases of hardware components, consistent with the Group's revenue growth for FY2025.

Cost of services

Amount primarily consisted of subcontracting fees for technology vendors and individual service providers, along with other service-related costs. For FY2025, the Group recorded a substantial increase in cost of services from approximately HK$1,375,000 for FY2024 to approximately HK$8,781,000 for FY2025. Such increase was primarily driven by heightened demand for subcontracting services, which corresponded with the significant revenue growth recorded for FY2025.

Staff costs and related expenses

For FY2025, the Group recorded staff costs and related expenses of approximately HK$5,625,000 *(FY2024: approximately HK$6,252,000)*. This reduction was primarily attributable to the resignation of employees with higher remuneration packages and a decrease in Directors' fees as part of the Group's cost control measures implemented during FY2025.

Impairment loss on trade and other receivables, net

The Group assessed impairment loss on trade receivables by simplified approach in calculating expected credit loss ("ECL") for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and specifically estimated the ECL for each debtor by reference to its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Impairment on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

Provision for impairment loss on trade and other receivables, net of approximately HK$269,000 was recognised for FY2025 *(FY2024: reversal of impairment loss of approximately HK$88,000)*. Details of the impairment assessment on trade receivables and other receivables are set out in Note 28 to the consolidated financial statements in this report.

Write down of inventories

No write down of inventories was recognised for FY2025. For FY2024, write down of inventories amounted at approximately HK$2,315,000 was recorded, primarily relating to obsolete IT facilities to be sold together with cyber security solutions and IT software development business, which product life-cycle are short.

General and administrative expenses

For FY2025, the Group recorded general and administrative expenses of approximately HK$3,818,000 *(FY2024: approximately HK$3,834,000)*. This consistency reflects the Group's ongoing cost control efforts.

Management Discussion and Analysis

Loss for the year

The Group recorded a decrease in loss for the year from approximately HK$15,517,000 for FY2024 to approximately HK$3,852,000 for FY2025. The decrease in loss was mainly due to the aggregate impact of (i) an increase in reportable segment results (Adjusted EBITDA) in the cyber security solutions and IT software development segment, as detailed in the section headed "Chief Executive Officer' Review"; (ii) decrease in loss from reportable segment results (Adjusted EBITDA) in the SaaS segment (discontinued), as detailed in the section headed "Chief Executive Officer' Review"; and (iii) increase in depreciation and amortisation expenses from approximately HK$828,000 for FY2024 to approximately HK$2,057,000 for FY2025 due to additions of computer equipment and internally developed technologies during FY2025.

Liquidity and financial resources

As at 31 December 2025, the Group had current assets of approximately HK$16,628,000 *(2024: approximately HK$19,989,000)* including bank balances and cash of approximately HK$7,271,000 *(2024: approximately HK$10,613,000)* which are principally denominated in Hong Kong dollars ("HK$"), Malaysian ringgit ("RM"), Singapore dollars ("SG$") and United States Dollars ("US$"), and the Group did not have any bank borrowings and debts. Total assets were approximately HK$23,933,000 *(2024: approximately HK$25,897,000)* and total liabilities were approximately HK$10,096,000 *(2024: approximately HK$9,597,000)*. The gearing ratio is not available, since the Group had no bank borrowings and no debts as at 31 December 2025 and 2024.

Share capital

As at 31 December 2025 and 2024, the authorised share capital of the Company was HK$60,000,000 divided into 6,000,000,000 shares of HK$0.01 each, the issued share capital of the Company was HK$8,877,600 divided into 887,760,000 ordinary shares of HK$0.01 each (the "Share(s)").

Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policies and had maintained a healthy liquidity position throughout the reporting period. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Foreign exchange exposure

The exposure of the Group's transactional currency to foreign currency risk was minimal as most of the financial assets and liabilities held by group entities of the Group are denominated in the respective functional currency of the respective group entities.

The Group currently has no foreign currency hedging policy and the management monitors the foreign exchange exposure by closely monitoring the movement of foreign currency rates. Nevertheless, the Group will consider hedging significant foreign currency exposure by using derivative contracts should the need arise.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 December 2025 and 2024.

Use of proceeds from the Placing

On 13 October 2023 (the "Completion Date"), the Company issued 147,960,000 Shares by way of placing, at a placing price of HK$0.024 per new share of the Company (the "Placing"). The net proceeds from the Placing after deducting related expenses were approximately HK$3,434,000. Up to 31 December 2025, the net proceeds from the Placing had been applied as follows:

	Use of net proceeds *HK$'000*	**Actual use of net proceeds from the Completion Date and up to 31 December 2025** *HK$'000*
General working capital of the Group	3,434	3,434

Significant events

Disposal of subsidiaries

On 22 December 2025 (after trading hours), the Company entered the Agreement with the Purchaser to dispose the entire equity interests in Big Focus and Rich Joy at a total consideration of HK$500,000. The Disposal was completed on 29 December 2025.

As the highest applicable percentage ratio calculated pursuant to Chapter 19 of the GEM Listing Rules in respect of the transactions contemplated under the Agreement exceeds 5% but is less than 25%, the Disposal therefore constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirement under Chapter 19 of the GEM Listing Rules. Details of the Disposal are set out in the Company's announcements dated 22 December 2025 and 29 December 2025.

Upon the Completion, the Group has no longer engaged in SaaS business. Accordingly, the segment of SaaS was classified as a discontinued operation (the "Discontinued Operation") during FY2025 and FY2024. Details of the Discontinued Operation are set out in Note 19 to the consolidated financial statements in this report.

Changes of Directors, Changes of Chairman and Changes in Composition of Board Committee

Appointment of Executive Director and Change of the Chairman

On 12 May 2025, Mr. Kenneth Vun has been appointed as an executive Director and the Chairman, and Mr. Ong Gim Hai has ceased as the Chairman. Details are set out in the Company's announcement dated 12 May 2025.

Changes in Directors and Changes in Composition of Board Committee

On 30 June 2025, Mr. Roy Ho Yew Kee ("Mr. Ho") resigned as a non-executive Director. Following Mr. Ho's resignation, Mr. Ho has ceased as a member of the Remuneration Committee. On the same date, Mr. Tang Chak Lam Gilbert ("Mr. Tang") resigned as an independent non-executive Director. Following Mr. Tang's resignation, Mr. Tang has ceased as (i) the chairman of the Nomination Committee, (ii) the chairman of the Remuneration Committee and (iii) a member of the Audit Committee.

Mr. Lynch Stephen Joseph Chor has been appointed as an independent non-executive Director with effect from 30 June 2025. In replacement of Mr. Tang's positions on the Board committees, Mr. Lynch has also been appointed as (i) the chairman of the Nomination Committee, (ii) the chairman of the Remuneration Committee and (iii) a member of the Audit Committee with effect from 30 June 2025. Furthermore, Mr. Vun, an executive Director, has been appointed as a member of the Remuneration Committee in place of Mr. Ho's position in the Remuneration Committee with effect from 30 June 2025.

Management Discussion and Analysis

Details regarding these changes in Directors and changes in composition of Board committee are set out in the Company's announcement dated 30 June 2025.

Event after reporting period

Up to the date of this report, the Group does not have event after reporting period.

Future plan for material investment and capital assets

Save as disclosed in this report, the Group does not have any plans for material investment or acquisition of capital assets as at the date of this report. The Company will make further announcement in accordance with the GEM Listing Rules, where applicable, if any investments and acquisition opportunities materialise.

Final dividends

The Board did not recommend the payment of final dividend for FY2025 *(FY2024: Nil)*.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

Charges on the Group's assets

There was no charge on the Group's assets as at 31 December 2025 and 2024.

Employee and remuneration policy

As at 31 December 2025, the Group had a total of 14 employees *(2024: 16 employees)* (including executive Directors). During FY2025, the total staff costs amount to approximately HK$5,625,000 *(FY2024: approximately HK$6,252,000)*, representing a decrease of approximately HK$627,000 over the year. The salaries and benefits of the Group's employees were kept a market level and employees were rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

The Group contributed defined contribution scheme to employees. The Group companies in Hong Kong have participated in the Mandatory Provident Fund Scheme (the "MPF Scheme") which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held in a separately administered fund. The Group contributes 5% of relevant monthly salaries of employees with a cap of monthly contributions of HK$1,500 to the MPF Scheme. There were no employees entitled to the MPF Scheme during FY2025. For FY2024, the Group's contributions to the MPF Scheme vest fully and immediately with the employees. Accordingly, there were no forfeited contributions available for the Group to reduce its existing level of contributions to the MPF Scheme as at 31 December 2024. The total amount contributed by the Group to the MPF Scheme for FY2024 was approximately HK$14,000.

The Group company in Malaysia participated in the Employees Provident Fund Scheme (the "EPF Scheme") under the Employees Provident Fund Act 1991 for qualifying employees in Malaysia. The Group has contributed at 13% of relevant monthly salaries for the employees who render monthly salaries of RM5,000 or below; and 12% of relevant monthly salaries for the employees who render monthly salaries of more than RM5,000 to the EPF Scheme. The Group's contributions to the EPF Scheme vest fully and immediately with the employees. Accordingly, there were no forfeited contributions which arose upon employees leaving the scheme before their interests in the Group's contribution became fully vested and thus there were no such forfeited contributions which were available to reduce the Group's existing level of contributions to the EPF Scheme as at 31 December 2025 and 2024. For FY2025, the total amount contributed by the Group to the EPF Scheme was approximately HK$138,000 *(FY2024: approximately HK$111,000)*.

The Group companies in Singapore have participated in the Central Provident Fund Scheme (the "CPF Scheme") which is registered under Central Provident Fund Act in Singapore for all qualifying employees in Singapore. The Group contributes to the CPF Scheme based on certain percentages of relevant monthly salaries of employees, subject to a certain ceiling, as stipulated by the relevant regulations. The Group has no further payment obligation once the contributions have been paid. The Group's contributions to the CPF Scheme vest fully and immediately with the employees. Accordingly, there were no forfeited contributions available for the Group to reduce its existing level of contributions to the CPF Scheme as at 31 December 2025 and 2024. For FY2025, the total amount contributed by the Group to the CPF Scheme was approximately HK$282,000 *(FY2024: approximately HK$335,000)*.

Up to 29 December 2025 (date of completion of the Disposal), the Group companies in the PRC have participated in defined contribution retirement plans and other employee social security plans including pension, medical, other welfare benefits (the "Defined Contribution Plans in the PRC"), which are organised and administered by the relevant governmental authorities for all qualifying employees in the PRC. The Group contributes to these plans based on certain percentages of relevant monthly salaries of its employees, subject to ceiling, as stipulated by the relevant regulations. The Group has no further payment obligation once the contributions have been paid. The Group's contributions to the Defined Contribution Plans in the PRC vest fully and immediately with the employees. Accordingly, there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Plans in the PRC as at 29 December 2025 and 31 December 2024. During the period from 1 January 2025 and 29 December 2025, the total amount contributed by the Group to the Defined Contribution Plans in the PRC was approximately HK$45,000 *(FY2024: approximately HK$103,000)*.

Environmental, Social and Governance Report

INTRODUCTION AND MESSAGE FROM THE BOARD

The Group is pleased to present the Environmental, Social and Governance ("ESG") report (the "ESG Reporting"), highlighting the ESG performance, with disclosure reference to the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") and its upcoming amendments, as set out in Appendix C2 of the GEM Listing Rules. The information stated in this report covers the period from 1 January 2025 to 31 December 2025 (the "Reporting Period" or "FY2025") which aligns with the financial year as the 2025 annual report of the Group. The ESG Report covers the Company and its principal subsidiaries, being primarily engaged in provision of cyber security solutions and IT software development. Although the SaaS business was discontinued on 29 November 2025, the Key Performance Indicators ("KPIs") in this report cover that segment's activities prior to its cessation to provide a complete historical record.

In additional to strive for interest of the Shareholders, the Group also holds the environment, society, different stakeholders and its employees, in high regard. The Group understands the importance of undertaking its social responsibility, which has always been one of its objectives for achieving sustainable development. The Group is pleased to present the ESG Report to provide an overview of the Group's management of significant issues affecting the operation, including ESG issues.

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us through our website at http://nexion.com.hk/contact-us/.

PREPARATION SCOPE AND PRINCIPLES

In preparing this ESG report, the Group has strictly followed the reporting principles of materiality, quantitative, and consistency as outlined in the ESG Reporting Guide, the specific applications of which are as follows:

Materiality: During the reporting period, the Group identified and confirmed material environmental, social, and governance ("ESG") issues through a materiality assessment, which served as the core considerations for this report. The significance of these issues has been reviewed and confirmed by the Board of Directors and senior management. For further details, please refer to the "Stakeholder Engagement and Materiality" section of this report.

Quantitative: This report discloses ESG KPIs in a quantitative manner. To ensure transparency, the standards, methodologies, assumptions, and calculation tools used, as well as the source of conversion factors for the relevant KPIs, are disclosed in the appropriate sections. Specific environmental targets have been established to reduce greenhouse gas ("GHG") and mitigate particular impacts.

Consistency: The statistical methods adopted in this report are substantially consistent with those used for the year ended 31 December 2024 ("FY2024") to allow for meaningful comparison of ESG data over time. Where otherwise specified, or where changes occur that may affect comparisons with previous reports, the Group has provided explanatory notes in the relevant sections.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. In order to identify the most significant aspects for the Group to report on for this ESG report, the Company has regular communication with different stakeholders and review aspects of attention which gives the Company the best references to continuously improve its ESG performance.

The table below sets out our main communication channels with the Groups stakeholders:

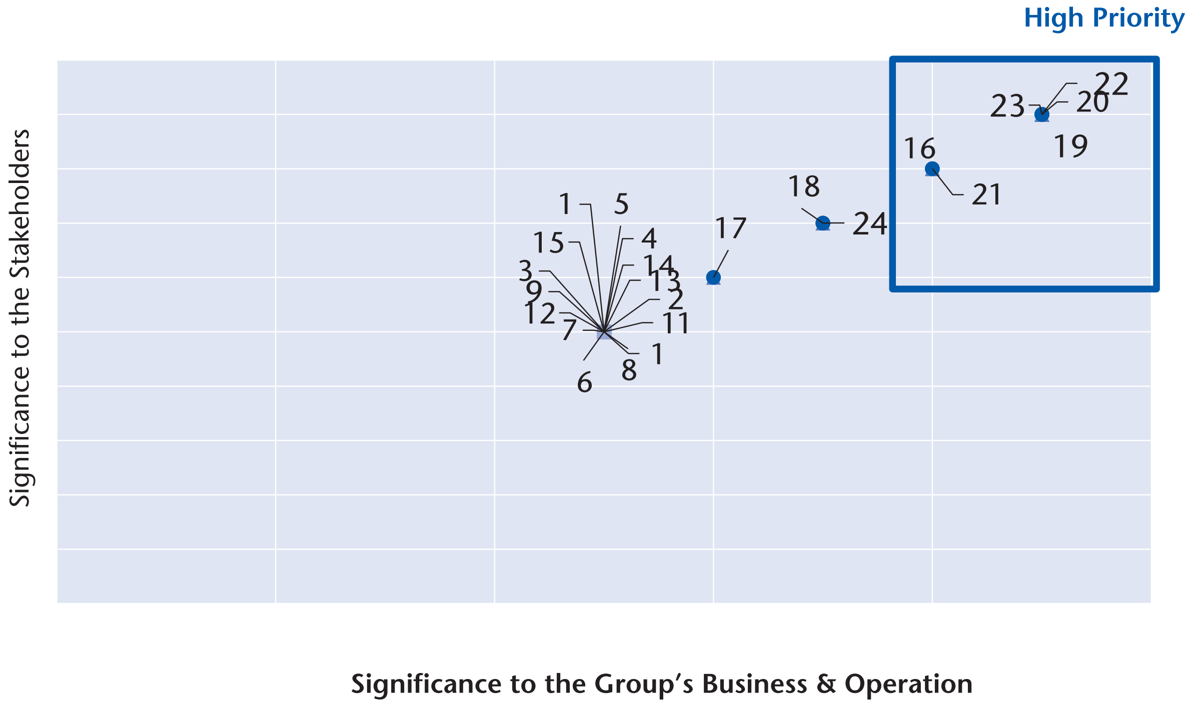
Stakeholders	Communication channel
Community	Community activities, volunteer work
Customers and Business Partners	Advertisement, marketing events, company website, regular meetings, email and phone communications
Employees	Daily communication and performance appraisal, Training, paid annual leave
Government and Regulatory Authorities	On-site inspections and checks, industry collaboration
Shareholders and Investors	Board of directors, information disclosure, website, mail and phone communications
Suppliers	Supplier procurement procedure, annual evaluation

Based on the nature of our business, the ESG Reporting Code, and internal review results, the Group has identified material ESG issues relevant to our operations. To determine the priority of these identified issues, the Group regularly conducts materiality assessments by inviting various stakeholders to participate via questionnaires, evaluating the significance of these ESG matters to the Group's business. The results of the materiality assessment have been reviewed and confirmed by the Board and senior management to ensure alignment with the Group's long-term objectives.

Environmental, Social and Governance Report

The following table sets out the material ESG issues prioritized after the materiality assessment:

Materiality Matrix



Environmental		Social		Operation	
1	GHG missions	8	Community Contribution	16	Anti-corruption
2	Energy Consumption and Resource Management	9	Occupational Health and Safety	17	Supply Chain Management
3	Water Resource Management	10	Child Labour	18	Supplier Evaluation and Selection
4	Waste Management	11	Forced and Compulsory Labour	19	Customer Service and Satisfaction
5	Use of Packaging Material	12	Training and Development	20	Customer Privacy
6	Environmental Impact	13	Remuneration and Benefits	21	Feedback and Complaint Handling
7	Climate Change	14	Diversity and Equal Opportunity	22	Product Safety and Quality Management
		15	Talent Attraction and Retention	23	Protection of Intellectual Property
				24	Marketing and Labeling

SUSTAINABILITY MISSION

The Group's mission is to conduct business in a way that actively contribute the sustainable development of society. We aimed at creating the sustainable lifestyle by the following ways:

- Green – The Group is putting strong effort on protecting the environment by using advanced and environmental friendly technologies, optimising the use of natural resources, and emphasising the importance of environmental protection to the employees;

- Harmony – We truly believe a harmonious working environment could retain competent employees and improve their morale to the Group. The Group is promoting the importance of harmonious working environment by organising more employees' events and enhancing the employees' rights and benefits; and

- Technology – We review and enhance the existing technologies regularly and employ advanced technologies upon carrying out the principal businesses of the Group. This enables the Group to enhance the profitability and business efficiency and mitigate any potential adverse impact on the environment at the same time.

ENVIRONMENTAL ASPECTS

Emissions

The Group's environmental policy encompasses our general approach towards controlling environmental impacts of our business operations. The Group's most significant environmental impact is the indirect emissions related to office energy consumption in Malaysia and overseas business travel undertaken by employees based in Malaysia and Singapore during the Reporting Period. In line with the Group's policy to minimise emissions, we have implemented energy saving practices which are mentioned in the sections headed "Waste management" and "Use of resources" so as to reduce the emissions.

The Group's business operations in Malaysia and Singapore have fully complied with the relevant environmental laws and regulations in respective country in its daily operations, including but not limited to the following:

- Laws of Malaysia Energy Commission Act 2001 (Malaysia);

- Laws of Environmental Quality Act 1974 (Malaysia);

- Environmental Protection and Management Act (Chapter 94A) (Singapore);

- Environmental Pollution Control Act, 1999 (Singapore);

- Environmental Protection Law of the PRC;

- Air Pollution Prevention and Control Law of the PRC;

- Prevention and Control of Environmental Pollution by Solid Wastes of the PRC; and

- Water Pollution Prevention and Control Law of the PRC.

Environmental, Social and Governance Report

Air Pollutant Emission

The major sources of the generation of nitrogen oxides, sulphur oxides and respiratory suspended particles (also known as Particulate Matters), which are the key air pollutants to the city, is mainly from the fossil fuel consumption, which are commonly used in motor vehicles, marine vessels, power plants and production factories. During FY2025, the Group does not own any motor vehicles or ships and does not involve in business activities with heavy use of the fossil fuel. The Directors consider this aspect is not sufficiently material to be reported.

Waste Management

In daily operations, the Group generates domestic wastes, such as papers, aluminum cans and plastic bottles. The Group encouraged all employees to print and copy in double-side papers and have implemented recycling scheme for paper waste. For other domestic wastes, the Group plans to place recycling bins in offices and seek suitable recycling companies to collect the wastes. The Group does not involve in production of hazardous wastes and the amount of non-hazardous wastes is not significant. The Group has greatly reduced the paper usage with our effort mentioned above, all papers, aluminum cans and plastic bottles are properly recycled instead of disposed of as the unrecyclable wastes during FY2025 and FY2024.

Use of Resources

The Group advocates the importance of environmental protection and sustainability development to our employees. We adopted a number of environmental friendly practices as listed below:

- Using air conditioners with thermostats and sensors to maintain constant and reasonable room temperature;
- Replacing the traditional light bulb with light-emitting diode bulb, which gives higher efficiency;
- Encouraging double-side printing and photocopying;
- Reducing the use of petroleum related products, such as plastics and foam cups by replacing with biodegradable products;
- Decreasing the number of overseas business travelling by using video-conference or telephone-conference meetings instead; and
- Reminding all employees to turn off unnecessary electrical appliances.

The Group's major resource consumption during FY2025 and FY2024 is summarized in the table below:

	2025		2024	
Categories	**Amount**	**Intensity[2]**	Amount	Intensity
Electricity Consumption				
– Office in Singapore[1]	**0 kWh**	**1 kWh per floor area (sq ft)**	344 kWh	1 kWh per floor area (sq ft)
– Office in Malaysia	**4,754 kWh**	**2.82 kWh per floor area (sq ft)**	5,255 kWh	3.12 kWh per floor area (sq ft)
Diesel Consumption	–	–	–	–
Gasoline Consumption	–	–	–	–
LPG/Natural Gas Consumption	–	–	–	–

Since the Group does not own any motor vehicles or ships and its business activities do not consume a significant amount of water, in addition, its offices use the public water tap shared by other occupants of the building, the Directors considered that the gas, oil and water consumptions are not sufficiently important to report.

The Group purchases necessary hardware and software components from third parties with the combination of its core technical know-how and cyber security and IT software development projects. There is no material repackaging of the hardwares and software components before delivery to the customers. Therefore, the Group considered the amount of packaging materials used was insignificant.

The Environment and Natural Resources

The Group is committed to the protection of the environment, which aims to save natural resources by enhancing the awareness among all employees and reviewing the efficiency of business operations regularly. Regarding the business operations, the Group is not aware of any significant impacts of activities on the environment and natural resources. With the integration of policy and measures mentioned in sections headed "Waste management" and "Use of resources" in this ESG Report, the Group strives to minimize the impacts of its business development on the environment and natural resources.

Noted:

1. Electricity consumption for the Singapore office was zero in FY2025 due to the discontinuation of the lease.

2. The Group calculates air pollutant and greenhouse gas emissions based on the ESG Reporting Guide (Appendix C2, GEM Listing Rules), IPCC emission factors, and the Malaysian grid emission factor for electricity. For FY2025, intensity data are based on an office floor area of 1,683 sq. ft.

Environmental, Social and Governance Report

CLIMATE CHANGE

Climate change has become an increasingly significant global concern, presenting both potential risks and opportunities for the Group's business operations. The Group has identified that climate change may result in physical risks – including acute risks from severe weather events such as typhoons, flooding, and storms, as well as chronic risks arising from sustained high temperatures – and transition risks associated with changes in environmental regulations, market expectations, and customer preferences toward low-carbon products and services.

To mitigate potential disruptions and safeguard employees, assets, and business continuity, the Group has established precautionary and adaptive measures, including flexible work arrangements during extreme weather conditions and contingency plans for data center operations and critical infrastructure. In addition, the Group continues to implement various environmental protection measures to reduce energy consumption and GHG emissions. Details of these initiatives are further described in the "Emissions" and "Use of Resources" sections of this ESG Report.

While current assessments indicate that potential extreme weather events and regulatory changes do not pose a material threat to the Group's core operations, the Group recognizes the increasing uncertainty of climate-related impacts and is committed to continuous monitoring and risk reassessment. Under the Board's oversight, the Group regularly reviews its climate-related risk exposure and integrates climate considerations into its business strategy, investment planning, and operational management.

Furthermore, climate change presents strategic opportunities for the Group to reinforce its market position and enhance long-term resilience. By adopting renewable energy in operations, incorporating energy-efficient technologies, and developing innovative IT solutions that enable clients to monitor or reduce their environmental impact, the Group contributes to the broader low-carbon transition while achieving operational and reputational benefits. The Group will continue to explore emerging opportunities in green technology, energy management systems, and sustainable digital transformation to support its growth and sustainability objectives.

The Group has adopted a framework aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), covering governance, strategy, risk management, and metrics and targets.

Governance

The Board has overall responsibility for overseeing climate-related issues as part of the Group's ESG governance framework. The Board reviews climate-related risks and opportunities and provides strategic guidance on the Group's sustainability initiatives.

Senior management is responsible for implementing the Group's ESG policies and integrating climate-related considerations into business operations and risk management processes. Management regularly evaluates the potential impacts of climate-related risks and opportunities and reports relevant developments to the Board where appropriate.

At present, climate-related targets or performance metrics have not been incorporated into the remuneration arrangements for the Group's directors, senior management, or employees. The Group will continue to monitor emerging best practices and developments in this area and will review the feasibility of integrating such metrics in the future.

Strategy

The Group has identified and assessed potential climate-related physical risks and transition risks that may affect its operations over different time horizons.

Time horizons adopted by the Group:

- Short term: 0–3 years
- Medium term: 3–10 years
- Long term: Over 10 years

Although the Group's business operations have relatively low direct environmental impact, climate change may still influence the Group through operational disruptions, regulatory developments and changes in market expectations.

Climate-related Risks and Opportunities

Type	Risk/Opportunity	Time Horizon	Potential Impact	Mitigation Measures
Physical Risk	Extreme weather events such as typhoons, floods or heatwaves	Short to medium term	Disruption to office operations or network services	Business continuity planning, disaster recovery systems
	Increasing average temperatures	Medium to long term	Higher energy consumption for cooling in offices	Energy efficiency measures
Transition Risk	Tightening climate-related regulations and reporting requirements	Short to medium term	Increased compliance and reporting costs	Monitoring regulatory developments and strengthening ESG management
	Rising energy costs associated with the transition to a low-carbon economy	Medium term	Higher operating costs	Energy management and efficiency improvements
Opportunity	Increasing demand for digital solutions and secure cloud services	Medium to long term	Growth opportunities for cyber security solutions, and IT software development business	Continuous innovation in cyber security

The Group believes that digitalisation and cloud technologies can support organisations in improving operational efficiency and reducing reliance on physical infrastructure, thereby indirectly contributing to environmental sustainability.

Currently, the Group is in the process of establishing a baseline year for certain climate-related indicators to support future performance tracking. Quantitative climate-related targets have not yet been set, but the Group will continue to assess their feasibility. The Group will evaluate the potential development of short-, medium-, and long-term targets as part of its climate transition planning.

Environmental, Social and Governance Report

Risk Management

Climate-related risks are incorporated into the Group's overall risk management framework. The Group identifies, evaluates and manages climate-related risks as part of its enterprise risk management process.

Management assesses the likelihood and potential impact of identified climate-related risks and implements appropriate mitigation measures, including strengthening IT infrastructure resilience, maintaining data backup and disaster recovery systems, and implementing business continuity plans to minimize operational disruptions.

Climate-related factors may also be considered in strategic planning and operational decision-making to ensure the Group remains resilient under evolving environmental and regulatory conditions.

Metrics and Targets

The Group's GHG emissions are primarily associated with electricity consumption in office operations and IT infrastructure supporting software development.

To manage its environmental footprint, the Group has implemented a number of energy management measures, including:

- adopting energy-efficient office equipment;
- optimising server utilisation and system efficiency;
- promoting energy-saving practices among employees; and
- monitoring electricity consumption in office operations.

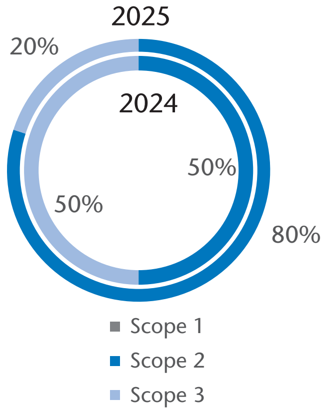
As the Group is not engaged in carbon-intensive activities, its GHG emissions are relatively limited compared with many other industries. Nevertheless, the Group will continue to monitor its energy consumption and explore opportunities to further improve energy efficiency and reduce emissions where feasible.

The Group will continue to review its climate-related performance and evaluate the feasibility of establishing appropriate environmental targets as its ESG management practices evolve.

Greenhouse Gas ("GHG") Emission

Global warming is one of the major issues of climate change nowadays, which is closely associated with the GHG emission from human activities. The risks associated with climate change are imminent. There is broad scientific and policy consensus that actions must be taken to further quantify and assess the risks. The Group shares the same concerns with the scientists and the government by putting effort on utilising energy in a sustainable and environmental friendly way so as to reduce GHG emissions. The Group has adopted energy saving initiatives that are mentioned in the sections headed "Waste management" and "Use of resources". The Group did not utilize carbon credits to offset its emissions in 2025.

The total GHG emission data, which is the aggregate emission of Scope 1, 2 and 3 during FY2025 and FY2024, is illustrated as follows:



Notes:

Scope 1 – Direct GHG emissions from operations that are owned or controlled by the Group;

Scope 2 – Energy indirect GHG emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group; and

Scope 3 – All other indirect GHG emissions that occur inside the Group, including both upstream and downstream emissions.

Environmental, Social and Governance Report

During the Reporting Period, the Group considered the emission under Scope 1 is not sufficiently important to be reported because the Group does not involve in the combustion of fuels in stationary sources (excluding electrical equipment) to generate electricity, heating, cooling or steam nor mobile sources, such as motor vehicles and ships, controlled by the Group. Scope 2 emission is mainly from the electricity supplied by the offices in Malaysia. Scope 3 emission is mainly from the overseas business travelling by employees of the Group.

The Group's greenhouse gas (CO_2) emissions for FY2025 and FY2024 are summarized as follows:

GHG Emission (in CO_2)	Unit	2025	2024
Scope 1	Kg	**0**	0
Scope 2	Kg	**3,518**	2,294
Scope 3	Kg	**500**	2,278
Total GHG Emission		**4,018**	4,572
Intensity of GHG emission – Unit per office floor area (sq. ft.)		**2.39**	2.55

Internal carbon prices

The Group did not implement an internal carbon price during the Reporting Period. However, we will continue to monitor market carbon prices and developments in carbon tax regulations in order to minimize related climate-related risks.

SOCIAL ASPECTS

B1. Employment

The Group believes that employees are our paramount assets and foundation of success, the Group spares no effort in caring their needs and always strives for their benefits. Under the Group's sound policy, an equal employment environment is fostered in which there is no workplace discrimination on the basis of ethnicity, nationality, age, gender, religion, disability, marital status, pregnancy, social orientation and other factors. The Group values the contribution of our employees and actively shares the achievements with them, by regularly reviewing its remuneration policy to ensure competitive remuneration packages, including basic salary, commission, bonus and other welfares and allowances, are offered to our employees.

As our business spans over a variety of countries and cities, all employees are entitled to the number of leaves, including maternity leaves, in accordance with the applicable laws of different jurisdictions. We advocate work-life balance among our employees by introducing reasonable working hours and number of paid leaves, which is not only beneficial to their health, but also to their morale and foster their sense of belonging to the Group.

The Group believes every contribution deserves its reward, we adopt performance-based remuneration packages. Under such policy, performance evaluation is conducted on a yearly basis to appraise the performance of all employees, offering them recognitions and rewards according to their respective individual performance.

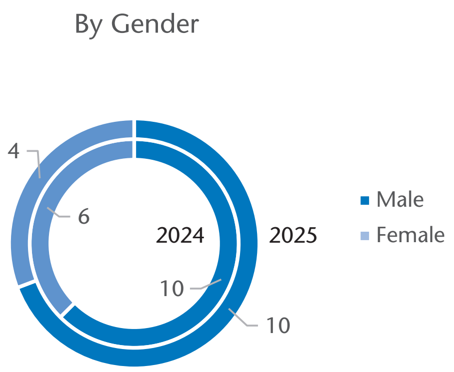
On top of this, we also developed comprehensive human resources policies and guidelines to govern compensation, dismissal, recruitment and promotion processes, in which no case of inequality has been reported during the Reporting Period. Besides, all employees are welcomed to express their opinions through various well-established channels, including the monthly regular meetings, emails and anonymous opinion box, at any time, in which the opinions of the employees could be expressed and fostered to the management, and the Group can always undertake improvement measures for the benefits of the employees.

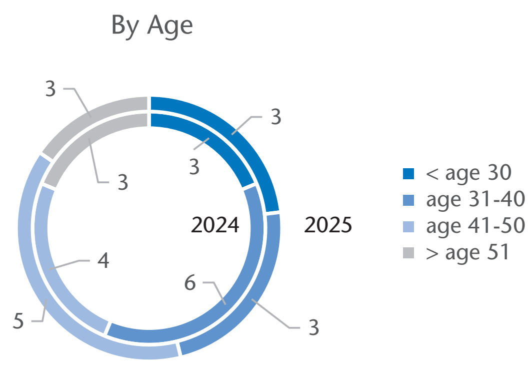
The Group is committed to comply with relevant labour standards and employment laws and regulation which are applicable to our business and employment, including but not limited to the following:

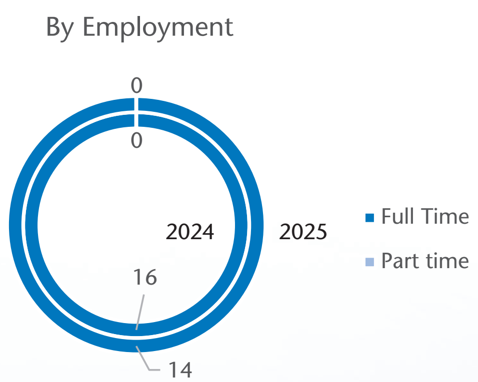
- Employment Act 1955 (Malaysia);
- Employees Provident Fund Act 1991 (Malaysia);
- Employees Social Security Act 1969 (Malaysia);
- Employment Act (Singapore);
- Central Provident Fund Act (1953) (Singapore);
- Employment of Foreign Manpower Act (1990) (Singapore); and
- Workplace Safety and Health Act (2006) (Singapore);

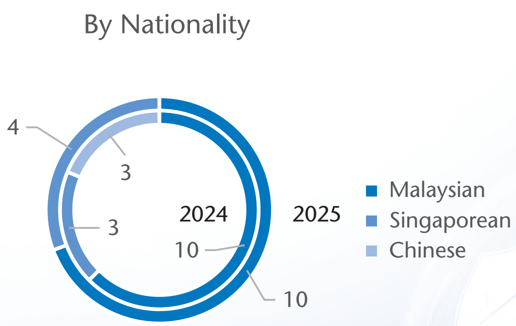
During the Reporting Period, the Group had no issue of non-compliance or violation in respect of labour affairs.

As at 31 December 2025, the Group had 14 employees *(2024: 16 employees)* (including executive Director). Below is the detailed breakdown of the number of employees by gender, age group, employment category and nationality.



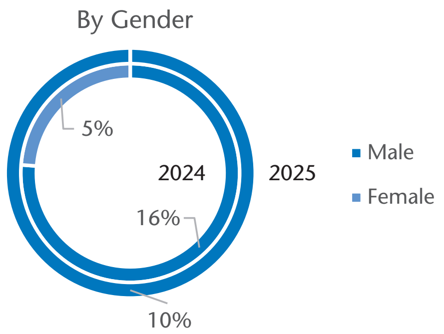


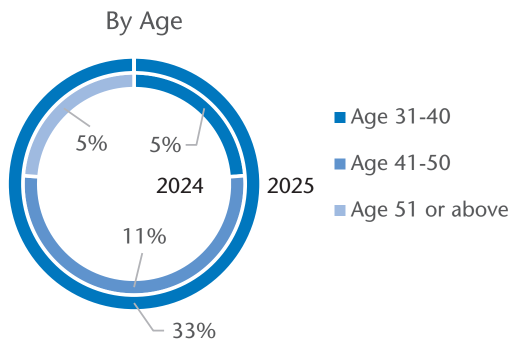


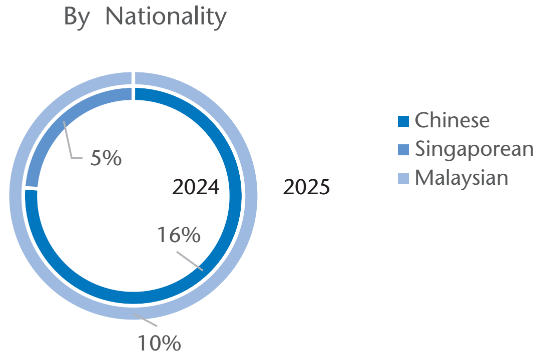


Environmental, Social and Governance Report

The employee turnover rate during the Reporting Period is approximately 7% (2024: approximately 21%). Below is the detailed breakdown of the employee turnover rate by gender, age group, and nationality.







B2. Occupational Health and Safety

Health and safety at work involves both the prevention of harm and the promotion of employees' wellbeing at the workplace. The Group has established strict safety and health policies in line with the relevant laws and regulations in Hong Kong, Malaysia, Singapore and the PRC, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the laws of Hong Kong), the Occupational Safety and Health Act 1994 (DSHA) in Malaysia, the Workplace Safety and Health Act and Work Injury Compensation Act in Singapore, the Law of the PRC on Prevention and Treatment of Occupational Diseases.

During the Reporting Period, the Group strictly complied with all the relevant laws and regulations with no violation reported. Due to the nature of the Group's business, there is no significant risk in occupational health and safety in the course of operations. The Group is not aware of any cases of work-related injuries or deaths fatalities among employees in the Group during the past three financial years. The Group continuously promotes a safe working environment to protect employees from any occupational hazards, for which a guideline was prepared for all employees, including environmental and personal hygiene practices, work arrangements during adverse weather, as well as emergency response.

B3. Development and Training

The development of the Group relies on the quality of our employees. Therefore, we place emphasis on the employees' trainings, which are led by human resources department of the Company. The executive directors of the Company are responsible for the corresponding approval and designing relevant training contents in accordance with the latest market trend. The training needs of the employees can be revealed by annual performance appraisal and latest market development.

All new employees have to attend relevant technical and operational training courses which ensure that they get trained with the required skills and knowledge, while on-going trainings are also prepared for all existing employees. The Group arranges trainings relating to international sanctions for the directors of the Company, senior management members and other relevant personnel to assist them in evaluating the potential international sanctions risk in the Group's daily operations. The Group also regularly updates the latest information of corporate governance, bribery, extortion, fraud and money-laundering via emails with its employees, which could draw the attention on the importance of ethics among the employees. The Group also promotes lifelong learning among its employees. They are also encouraged to take part in relevant external seminars and trainings in an active manner for continuing advancement.

The vocational training arranged by the Group to employees during the Reporting Period summarized in the table below:

		2025	2024
Percentage of employees trained		**43%**	42%
Gender	Male	**29%**	21%
	Female	**14%**	21%
Employment category	Senior management	**14%**	11%
	Middle management	**7%**	11%
	General staff	**14%**	21%
Total number of training hours		**122.5**	102
Gender	Male	**106.5**	34
	Female	**16**	68
Employment category	Senior management	**40**	32
	Middle management	**8**	36
	General staff	**74.5**	34
Average number of training hours		**20**	5
Gender	Male	**27**	3
	Female	**8**	10
Employment category	Senior management	**20**	8
	Middle management	**8**	5
	General staff	**25**	4

B4. Labour Standards

The Group abides by the relevant laws and regulations in regard to the prevention of child and forced labour, according to which such practices are strictly prohibited throughout the Company with several effective means. To avoid the employment of child labour, the Group checks and verifies the identity cards or other identification documents of the candidates in the course of recruitment. The Group fully carries out the labour contracts and relevant well-established internal labour policies, under which a transparent system and corresponding reporting channels are in place to ensure no unfair labour practice is adopted. During the Reporting Period, the Group did not violate any relevant laws and regulations in respect of the prevention of child or forced labour.

Environmental, Social and Governance Report

OPERATING PRACTICES

B5. Supply Chain Management

	2025	2024
Total number of suppliers by geographical regions		
Malaysia	**68**	47
Singapore	**12**	12
The PRC	**3**	2
Others	**2**	1
	85	62

Neither the nature of our business nor our suppliers involve significant risk to the environment and society, the Group regularly reviews its list of suppliers to ensure their compliance with our internal regulations and relevant national and local laws. The Group also encourage our suppliers to be certified by different management systems or frameworks to standardise their performance. Before placing procurement from new suppliers, the Group will assess its corporate conditions, credibility and the quality of products so as to maintain the quality of services and products provided to our customers. After engaging with the new suppliers, the technical support team of the Group will regularly check on the components supplied. Also, the Group will develop an open dialogue with the suppliers to address the concerns and needs from both parties. In case of the observation of any misconduct from the suppliers, the Group will terminate the trading relationship should the needs arise.

The Group commences pre-installation procedures before undertaking project installation. Pre-installation quality control procedures refer to procedures put in place by the Group to check that the hardware and/or software components required for the implementation of the Group's cyber security solutions and IT software development are in accordance with the proper specifications and quantities ordered by customers.

The technical support team of the Group is responsible for the checking of all hardware and software components supplied by the providers to ensure the components come with proper warranty and/or a back-to-back return policy arrangement such that any products that are defective or do not comply with the stated product specifications within the warranty period will be replaced by the suppliers. In addition, the technical support team of the Group also checks for any damage to the physical packaging of the products before installing the cyber security solutions and IT software development. A "burn-in" test will be conducted which typically involves the running of the hardware up to 24 hours to ensure that all components are functioning properly before the delivery of the hardware to the customers.

B6. Product Responsibility

The quality of services and products is always at the key focus in our operations. The Group works with technology vendors and subcontractors that act in an environmentally, socially and ethically responsible manner. The Group takes the initiative to interact with technology vendors and subcontractors to raise their awareness on sustainability. To ensure the quality of services and products, those technology vendors and subcontractors which the Group cooperated containing qualifications and facilities which fulfill industry standards, such as servers, network equipment, testers, probes, security features and electromagnetic shields. Through cooperation with our professional engineers, the Group's products and services could achieve higher standard of industry requirements and satisfy the certification requirements of the industry which centre on the performance, stability, usability, environmental and health impact, life cycle and security of a product. Besides, the electromagnetic shields can provide the Group with a conducive environment for the development of new and existing solutions and products. During the Reporting Period, no product sold or shipped subject to recalls for safety and health reasons. Besides, the Group did not receive any complaints on its services and products.

The Group is certified ISO27001 by SOCOTEC Certification Singapore Pte. Ltd. for provision of IT services, software including business process automation and outsourcing solutions.

Intellectual Property Rights

The Group respects and protects intellectual property rights by all means. Intellectual property rights of the Group include all processes, procedures, programs, discoveries, ideas, formulae, improvements, developments, technologies, designs and inventions conceived or developed by its employees in the course of their employment or service. The Group relies primarily on intellectual property laws and contractual arrangements to protect its intellectual property rights. The employees under research and development department are required to enter into employment agreements or service contracts, under which they are required to keep all information relating to the intellectual property of the Group confidential. In addition, the Group has taken active steps to protect its trademarks and other intellectual property rights by necessary filing or registration.

The Group obtains Data Protection Trustmark (DPTM), a voluntary enterprise-wide certification for organisations to demonstrate accountable data protection practices, which was certified by Infocomm Media Development Authority (IMDA) in Singapore.

Protection of Personal Data

All information of customers and suppliers are considered highly sensitive and are kept in a safe and confidential manner under a designated system. The Group has taken proper measures to safeguard data integrity by avoiding and restricting any unauthorized access and data leakage. All employees also have to comply with the internal guidelines and employment contracts containing relevant clauses to ensure the confidentiality of such information. This avoids the possible leakage of any personal or private information. Moreover, exit interviews with resigned employees have come into practice, in which they have to sign the relevant declaration which protects the confidentiality of personal data after the termination of employment.

During the Reporting Period, neither non-compliance nor violation in respect of product responsibility was reported.

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B7. Anti-Corruption

The Group adopts a policy of zero tolerance towards bribery, extortion, fraud and money-laundering. All employees must fully comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), Anti-Corruption Commission Act 2009 in Malaysia, Prevention of Corruption Act in Singapore and Criminal Law of the PRC, as well as our internal policies on the prevention of corruption. In order to promote integrity in the workplace, an employee handbook was formulated to set out standards of conduct to which all employees are required to adhere. The Group has also established a whistleblowing policy to encourage reporting of bribery, extortion, fraud and money laundering, under which all employees have a responsibility to report to their supervisor or senior management any suspected violations, malpractice or impropriety within the Group. We also strengthen the sense of anticorruption among the employees by updating them with the latest guidance from relevant authorisations in Hong Kong, Malaysia, Singapore and the PRC regularly.

During the Reporting Period, the Group did not aware of any non-compliance or violation of any relevant laws and regulations in respect of anti-corruption.

B8. COMMUNITY INVESTMENT

The Group has taken an active part in fulfilling the corporate social responsibility. We strive for engaging with the local community and extending our reach to people in need.

In order to build a harmonious and prosperous society, the Group supports and encourages all employees to take part in volunteer works or charity activities. The employees could also swap the working schedules with others for joining volunteering work under the consent of their supervisors or the management.

The management understands that charitable organisation plays a key part in extending assistance and help for the needy or underprivileged in society. Monetary support has been offered for a number of worthy charitable organisations. The Group believes that by helping to enrich community, both materially and spiritually, it will also meet the expectations of shareholders, and stakeholders, including customers, suppliers, subcontractors and employees.

By creating an atmosphere of caring, the employees will become our representatives to spread and share with society the love that we always emphasise.

ESG REPORT SUMMARY AND INDEX

Subject areas, aspects, general disclosures and KPIs		Section/Declaration
Aspect A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	"Environmental Aspects – Emissions"
KPI A1.1	The types of emissions and respective emissions data.	"Environmental Aspects – Air Pollutant Emission" and "Environmental Aspects – Greenhouse Gas Emission"
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	The Group generated insignificant hazardous or non-hazardous waste during FY2025. Thus, the Group has not yet set any emission targets.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

Environmental, Social and Governance Report

Subject areas, aspects, general disclosures and KPIs		Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	"Environmental Aspects – Waste Management" and "Environmental Aspects – Use of Resources"
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	"Environmental Aspects – Use of Resources"
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water consumption is not material in the Group's operation.
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	"Environmental Aspects – Use of Resources"
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water consumption is insignificant in the Group's operation.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging material used is insignificant in the Group's operation.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	"Environmental Aspects – The Environment and Natural Resources"
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	"Environmental Aspects – The Environment and Natural Resources"
Aspect A4: Climate Change		
General Disclosure	Repealed 1 January 2025	
KPI A4.1	Repealed 1 January 2025	

Subject areas, aspects, general disclosures and KPIs		Section/Declaration
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	"Social Aspects – Employment"
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	"Social Aspects – Employment"
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	"Social Aspects – Employment"
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	"Social Aspects – Occupational Health and Safety"
KPI B2.1	Number and rate of work-related fatalities occurred in each of the pass three years including the reporting year.	"Social Aspects – Occupational Health and Safety"
KPI B2.2	Lost days due to work injury.	"Social Aspects – Occupational Health and Safety"
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	"Social Aspects – Occupational Health and Safety"

Environmental, Social and Governance Report

Subject areas, aspects, general disclosures and KPIs		Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	"Social Aspects – Development and Training"
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	"Social Aspects – Development and Training"
KPI B3.2	The average training hours completed per employee by gender and employee category.	"Social Aspects – Development and Training"
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	"Social Aspects – Labour Standards"
KPI B4.1	Description of measures to reviews employment practices to avoid child and forced labour.	"Social Aspects – Labour Standards"
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	"Social Aspects – Labour Standards"
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	"Operating Practices – Supply Chain Management"
KPI B5.1	Number of suppliers by geographical region.	"Operating Practices – Supply Chain Management"
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	"Operating Practices – Supply Chain Management"
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	"Operating Practices – Supply Chain Management"
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	"Operating Practices – Supply Chain Management"

Subject areas, aspects, general disclosures and KPIs		Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	"Operating Practices – Product Responsibility"
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	"Operating Practices – Product Responsibility"
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	"Operating Practices – Product Responsibility"
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	"Operating Practices – Intellectual Property Right"
KPI B6.4	Description of quality assurance process and recall procedures.	"Operating Practices – Product Responsibility"
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	"Operating Practices – Protection of Personal Data"

Environmental, Social and Governance Report

Subject areas, aspects, general disclosures and KPIs		Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	"Operating Practices – Anti-Corruption"
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	"Operating Practices – Anti-Corruption"
KPI B7.2	Description of preventive measures and whistle blowing procedures, how they are implemented and monitored.	"Operating Practices – Anti-Corruption"
KPI B7.3	Description of anti-corruption training provided to directors and staff.	All Directors are updated with the latest development regarding the GEM Listing Rules and other applicable regulatory requirements in timely manner to ensure compliance of all Directors. No anti-corruption training provided during FY2025. The Group is in the process of seeking appropriate training for both Directors and staff.
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	"Community Investment"
KPI B8.1	Focus areas of contribution (e.g education, environmental concerns, labour needs, health, culture, sport).	"Community Investment"
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	"Community Investment"

Part D: Climate-related Disclosures	Section/Declaration
Governance	
19. An issuer shall disclose information about:	CLIMATE CHANGE – Governance
(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
(ii) how and how often the body(s) or individual(s) is informed about climate related risks and opportunities;	
(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	
(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies; and	Not applicable
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures			Section/Declaration
Strategy			
Climate-related risks and opportunities	20.	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	CLIMATE CHANGE – Strategy
	(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
	(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
	(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
	(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain	21.	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	Not applicable
	(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	
	(b)	a description of where in the issuer's business model and value chain climate related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	

Part D: Climate-related Disclosures		Section/Declaration
Strategy and decision-making	22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	CLIMATE CHANGE – Strategy
	(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	CLIMATE CHANGE – Strategy; CLIMATE CHANGE – Metrics and Targets; USE of RESOURCES
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	CLIMATE CHANGE – Governance; CLIMATE CHANGE – Strategy
	(iv) how the issuer plans to achieve any climate-related targets (including any GHG emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
	23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		Section/Declaration
Current financial effect	24. An issuer shall disclose qualitative and quantitative information about:	CLIMATE CHANGE – Strategy
	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
	(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Anticipated financial effect	25. The issuer shall provide qualitative and quantitative disclosures about:	Not applicable
	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
	(i) its investment and disposal plans; and	
	(ii) its planned sources of funding to implement its strategy; and	
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Part D: Climate-related Disclosures		Section/Declaration
Climate resilience	26. An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	Not applicable
	(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		Section/Declaration
	(b) how and when the climate-related scenario analysis was carried out, including:	Not applicable
	(i) information about the inputs used, including:	
	(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	
	(2) whether the analysis included a diverse range of climate-related scenarios;	
	(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
	(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
	(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
	(6) time horizons the issuer used in the analysis; and	
	(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
	(ii) the key assumptions the issuer made in the analysis; and	
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	

Part D: Climate-related Disclosures			Section/Declaration
Risk Management			
27. An issuer shall disclose information about:			CLIMATE CHANGE – Strategy; CLIMATE CHANGE – Risk Management
	(a)	the processes and related policies it uses to identify, assess, prioritize and monitor climate-related risks, including information about:	
		(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
		(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
		(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
		(iv) whether and how the issuer prioritizes climate-related risks relative to other types of risks;	
		(v) how the issuer monitors climate-related risks; and	
		(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
	(b)	the processes the issuer uses to identify, assess, prioritize and monitor climate related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
	(c)	the extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	

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Part D: Climate-related Disclosures			Section/Declaration
Metrics and Targets			
GHG emissions	28.	An issuer shall disclose its absolute gross GHG emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as:	CLIMATE CHANGE – Metrics and Targets
	(a)	Scope 1 GHG emissions;	
	(b)	Scope 2 GHG emissions; and	
	(c)	Scope 3 GHG emissions.	
	29.	An issuer shall:	CLIMATE CHANGE – Metrics and Targets
	(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
	(b)	disclose the approach it uses to measure its GHG emissions including:	
	(i)	the measurement approach, inputs and assumptions the issuer uses to measure its GHG emissions;	
	(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its GHG emissions; and	
	(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	

Part D: Climate-related Disclosures		Section/Declaration
	(c) for Scope 2 GHG emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 GHG emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 GHG emissions; and	
	(d) for Scope 3 GHG emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 GHG emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Not applicable
Climate-related physical risks	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Not applicable
Climate-related opportunities	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Not applicable
Capital deployment	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Not applicable
Internal carbon prices	34. An issuer shall disclose:	The Group did not implement an internal carbon price during the Reporting Period.
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
	(b) the price of each metric tonne of GHG emissions the issuer uses to assess the costs of its GHG emissions;	
Remuneration	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Not applicable

Environmental, Social and Governance Report

Part D: Climate-related Disclosures			Section/Declaration
Industry-based metrics	36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable
Climate-related targets	37.	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	CLIMATE CHANGE – Metrics and Targets The Group does not currently participate in carbon credit trading or carbon offset programs.
		(a) the metric used to set the target;	
		(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
		(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
		(d) the period over which the target applies;	
		(e) the base period from which progress is measured;	
		(f) milestones or interim targets (if any);	
		(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
		(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	

Part D: Climate-related Disclosures		Section/Declaration
	38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Not applicable
	(a) whether the target and the methodology for setting the target has been validated by a third party;	
	(b) the issuer's processes for reviewing the target;	
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
	39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	
	40. For each GHG emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	CLIMATE CHANGE – Metrics and targets
	(a) which greenhouse gases are covered by the target;	
	(b) whether Scope 1, Scope 2 or Scope 3 GHG emissions are covered by the target;	
	(c) whether the target is a gross GHG emissions target or a net GHG emissions target. If the issuer discloses a net GHG emissions target, the issuer is also required to separately disclose its associated gross GHG emissions target;	
	(d) whether the target was derived using a sectoral decarbonisation approach; and	Not applicable

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		Section/Declaration
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	Not applicable
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics	41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Not applicable

INTRODUCTION

The Directors are pleased to present the corporate governance report of the Company for FY2025 in accordance with the requirement under Rule 18.44(2) of the GEM Listing Rules.

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix C1 of the GEM Listing Rules (the "CG Code") to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, and to ensure that affairs are conducted in accordance with applicable laws and regulations.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for performing the corporate governance duties in the CG Code, which includes developing and reviewing the Company's policies and practices on corporate governance, training and continuous professional development of directors, and reviewing the Company's compliance with the code provision in the CG Code and disclosures in this report. The Company has complied with the principles and applicable code provisions of the CG Code for FY2025, except the deviation from code provision C.2.1 of the CG Code during the period from 1 January 2025 to 11 May 2025, as set out below.

Chairman and chief executive officer of the Company

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

During the period from 1 January 2025 to 11 May 2025, Mr. Ong served as roles of the Chairman and the Chief Executive Officer. It is considered that he has in-depth knowledge and experience in the information technology and computer industry and familiarity with the operations of the Group, that all major decisions are made in consultation with members of the Board and relevant Board committees, and that there are three independent non-executive Directors in the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it is in the best interest of the Group to have Mr. Ong taking up both roles.

Accordingly, the Company has not segregated the roles of the Chairman and the Chief Executive Officer as suggested by code provision C.2.1 of the CG Code.

On 12 May 2025, Mr. Vun has been appointed as an executive Director and the Chairman, and Mr. Ong has ceased as the Chairman. Upon the appointments of Mr. Vun, the Company has complied with all applicable code provisions of the Code. Details of the appointments of Mr. Vun are set out in the Company's announcement dated 12 May 2025.

CORPORATE PURPOSE, VALUE AND STRATEGY

With the purpose to become one of the most influential leading players and preferred value-added partner in cyber security solutions, digital transformation area and smart technology industry, and to facilitate its business growth according to the market conditions with an aim to maximise the value for the Shareholders, the Group embraces "integrity, innovation, collaboration, diversity and foresight" in its core values, which create a positive and progressive culture for the Group to achieve its purpose and to maintain a long-term sustainable growth.

Details of the Group's strategy to fulfill and achieve its purpose are set out in section headed "Chief Executive Officer's Review" on pages 6 to 8 in this report. The Board reviews the implementation and strategic planning in support of its purpose annually.

Corporate Governance Report

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules ("Model Code") as the code of conduct for securities transactions by the Directors in respect of the Shares (the "Code of Conduct"). Having made specific enquiries to all directors of the Company, each of them has confirmed that he/she has fully complied with the required standard of dealings and its code of conduct regarding to directors' securities transactions during FY2025.

BOARD OF DIRECTORS

The Board currently has five Directors comprising of two executive Directors and three independent non-executive Directors. The functions and duties of the Board include convening Shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed on these meetings, determining business and investment plans, formulating the Group's annual budget and final accounts, and formulating the Group's proposals for profit distributions and for the increase or reduction of registered capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the second amended and restated memorandum and articles of association of the Company which adopted by a special resolution passed on 20 May 2022 (the "Articles").

The composition of the Board during FY2025 and up to the date of this report is set out as follows.

Executive Directors

Mr. Kenneth Vun *(Chairman) (Appointed on 12 May 2025)**
Mr. Ong Gim Hai *(Ceased as Chairman on 12 May 2025)*

Non-executive Director

Mr. Roy Ho Yew Kee *(Resigned on 30 June 2025)*

Independent non-executive Directors

Ms. Lim Joo Seng
Mr. Lynch Stephen Joseph Chor *(Appointed on 30 June 2025)**
Mr. Yeung Chun Yue David
Mr. Tang Chak Lam Gilbert *(Resigned on 30 June 2025)*

* Mr. Kenneth Vun and Mr. Lynch Stephen Joseph Chor obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules on 9 May 2025 and 30 June 2025, respectively. Each of them has confirmed that he understood his obligations as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

To the best knowledge of the Board, there is no financial, business, family or other material/relevant relationship among any members of the Board as of the date of this report.

The Board has delegated to the Chief Executive Officer and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group.

In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. Further details of these committees are set out in section headed "Board Committees" on pages 58 to 64 in this report.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

All the Directors, including non-executive Director and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The biographical details of each Director of the Company are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 9 to 12 in this report.

All Directors have access to all the information of the Company as well as the services and advice of the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. All the Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interest of the Company and the Shareholders at all times.

The CG Code requires the Directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer. The Directors have agreed to disclose their commitments to the Company in a timely manner and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company. Further details of these disclosures are set out in section headed "Biographical Details of Directors and Senior Management" on pages 9 to 12 in this report.

The Board has also monitored the corporate governance policies and practices of the Company in compliance with all requirements under GEM Listing Rules and CG Code.

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The Board meets regularly and additional meeting will be convened when considered necessary by the Board. Four Board meetings were held throughout FY2025. Details of the Directors' attendance record of the Board meetings are set out as follow:

Name of Directors	Attendance/ Number of Board meetings held
Executive Directors	
Mr. Kenneth Vun *(Chairman) (Appointed on 12 May 2025)*	3/3
Mr. Ong Gim Hai *(Ceased as Chairman on 12 May 2025)*	4/4
Non-executive Director	
Mr. Roy Ho Yew Kee *(Resigned on 30 June 2025)*	2/2
Independent non-executive Directors	
Ms. Lim Joo Seng	4/4
Mr. Lynch Stephen Joseph Chor *(Appointed on 30 June 2025)*	2/2
Mr. Yeung Chun Yue David	4/4
Mr. Tang Chak Lam Gilbert *(Resigned on 30 June 2025)*	2/2

Corporate Governance Report

One general meeting was held throughout FY2025. Details of the Directors' attendance record of the general meeting are set out below:

Name of Directors	Attendance/ Number of general meeting held
Executive Directors	
Mr. Kenneth Vun *(Chairman) (Appointed on 12 May 2025)*	N/A
Mr. Ong Gim Hai *(Ceased as Chairman on 12 May 2025)*	1/1
Non-executive Director	
Mr. Roy Ho Yew Kee *(Resigned on 30 June 2025)*	1/1
Independent non-executive Directors	
Ms. Lim Joo Seng	1/1
Mr. Lynch Stephen Joseph Chor *(Appointed on 30 June 2025)*	N/A
Mr. Yeung Chun Yue David	1/1
Mr. Tang Chak Lam Gilbert *(Resigned on 30 June 2025)*	1/1

INDEPENDENT NON-EXECUTIVE DIRECTORS

In compliance with Rules 5.05A, 5.05(1) and 5.05(2) of the GEM Listing Rules, the Company has appointed three independent non-executive Directors representing at least one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. As such, the independent non-executive Directors will bring independent judgment to the decision making process of the Board.

The Company has entered into a letter of appointment with each of the independent non-executive Directors for a term of one or three years commencing from date of appointment and shall continue thereafter, which may be terminated by either party by giving three months' written notice.

The Company has received an annual confirmation of independence from each independent non-executive Directors as regards each of the factors referred to in Rule 5.09 of the GEM Listing Rules and considers the independent non-executive directors are independent as at the date of this report.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

In accordance with code provision B.2.2 of the CG Code, each of the Directors has entered into a service contract or a letter of appointment with the Company for a term of one or three years commencing from date of appointment and shall continue thereafter, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of the Directors as set out in the Articles. Each of the Directors should be subject to retirement by rotation at least once every three years.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting.

Pursuant to article 16.2 of the Articles, any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next first annual general meeting ("AGM") after his appointment and shall then be eligible for re-election. Accordingly, Mr. Vun and Mr. Lynch shall retire as an executive Director and an independent non-executive Director at the 2026 AGM (defined in section headed "Report of the Directors – 2026 AGM and Closure of Register of Members" in this report), respectively, and being eligible, offer themselves for re-election at the 2026 AGM.

Pursuant to article 16.18 of the Article, at every AGM of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any AGM at which any directors retire may fill the vacated office by electing a like number of persons to be Directors. Furthermore, pursuant to code provision B.2.2 of the CG Code, every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors retiring by rotation at the 2026 AGM are Ms. Lim and Mr. Yeung, the independent non-executive Directors. They will retire and, being eligible, offer themselves for re-election as independent non-executive Directors at the 2026 AGM.

DIRECTORS TRAINING AND PROFESSIONAL DEVELOPMENT

Pursuant to the code provision C.1.1 of the CG Code, all Directors of the Company should participate in continuous professional development to develop and refresh their knowledge and skills, which is to ensure that their contribution to the Board remains informed and relevant.

During FY2025, the Directors have been provided with regular updates on Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. The Directors are also briefed on the latest development and changes in the GEM Listing Rules and other relevant regulatory requirements timely. All Directors confirmed that they have had suitable training throughout FY2025. The Company has maintained the training record in respect of each Director. There are also arrangements in place for providing continuing briefing and professional development to its directors by the Company whenever necessary.

A summary of continuous professional development of each Director of the Company participated during FY2025/period of appointment, according to the records provided, is set out below:

Name of Directors	Attending internal briefings or trainings, participating seminars or reviewing materials
Executive Directors	
Mr. Kenneth Vun *(Chairman) (Appointed on 12 May 2025)*	✓
Mr. Ong Gim Hai *(Ceased as Chairman on 12 May 2025)*	✓
Non-executive Director	
Mr. Roy Ho Yew Kee *(Resigned on 30 June 2025)*	✓
Independent non-executive Directors	
Ms. Lim Joo Seng	✓
Mr. Lynch Stephen Joseph Chor *(Appointed on 30 June 2025)*	✓
Mr. Yeung Chun Yue David	✓
Mr. Tang Chak Lam Gilbert *(Resigned on 30 June 2025)*	✓

Corporate Governance Report

BOARD COMMITTEES

The Board has established three committees, namely as the Audit Committee, the Remuneration Committee and the Nomination Committee with specific written terms of reference which deal clearly with the committee's authority and duties. It is required for the committees to report the improvements and recommendations in respect to any identified matters to the Board.

Audit Committee

The Company has established the Audit Committee pursuant to a resolution of the Directors passed on 31 May 2017. The Audit Committee has written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules and the CG Code. The terms of reference of the Audit Committee are of no less exacting terms than those set out in the code provision D.3.3 and D.3.7 of the CG Code.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee risk management and internal control systems of the Group.

As at the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Ms. Lim Joo Seng (Chairman), Mr. Lynch Stephen Joseph Chor and Mr. Yeung Chun Yue David.

Four Audit Committee meetings were held throughout FY2025. Details of members' attendance record of the Audit Committee meetings are set out as follow:

Name of members	Attendance/ Number of meetings held
Ms. Lim Joo Seng *(Chairman)*	4/4
Mr. Lynch Stephen Joseph Chor *(Appointed on 30 June 2025)*	2/2
Mr. Yeung Chun Yue David	4/4
Mr. Tang Chak Lam Gilbert *(Ceased on 30 June 2025)*	2/2

The summary of the work of the Audit Committee at the said meetings is as follows:

(i) reviewed the final results and annual report of the Group for FY2024, the interim results and report for the six months ended 30 June 2025, the quarterly results for the periods ended 31 March 2025 and 30 September 2025 with a recommendation to the Board for approval and monitored the integrity of such consolidated financial statements;

(ii) reviewed the Group's financing and accounting policies; and

(iii) reviewed and recommended appointment of external auditor and independent internal control consultant, improvements on the Group's internal and compliance control system and risk management functions.

On 27 March 2026, the Group's results for FY2025 have been reviewed by the Audit Committee.

Remuneration Committee

The Company has established the Remuneration Committee pursuant to a resolution of the Directors passed on 31 May 2017. The Remuneration Committee has written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the CG Code. The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the code provision E.1.2 of the CG Code.

The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review performance-based remuneration and ensure none of the Directors determine their own remuneration.

As at the date of this report, the Remuneration Committee has three members comprising of two independent non-executive Directors and one executive Director, namely Mr. Lynch Stephen Joseph Chor (Chairman), Mr. Kenneth Vun and Mr. Yeung Chun Yue David.

One Remuneration Committee meeting was held throughout FY2025. Details of members' attendance record of the Remuneration Committee meeting are set out as follow:

Name of members	**Attendance/ Number of meeting held**
Mr. Lynch Stephen Joseph Chor *(Chairman) (Appointed on 30 June 2025)*	N/A
Mr. Kenneth Vun *(Appointed on 30 June 2025)*	N/A
Mr. Yeung Chun Yue David	1/1
Mr. Tang Chak Lam Gilbert *(Chairman) (Ceased on 30 June 2025)*	1/1
Mr. Roy Ho Yew Kee *(Ceased on 30 June 2025)*	1/1

The summary of the work of the Remuneration Committee at the said meeting or by way of written resolutions is as follows:

(i) made recommendations to the Board on the Company's remuneration policy of Directors and senior management;

(ii) reviewed the remuneration packages of Directors and senior management in relation to the performance and financial position of the Company; and

(iii) made recommendations to the Board on the remuneration of independent non-executive Directors.

Corporate Governance Report

Remuneration of Directors and senior management

Particulars in relation to Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Rule 18.30 of the GEM Listing Rules are set out in Notes 7 and 8 to the consolidated financial statements in this report. Pursuant to code provision E.1.5 of the CG Code, the remuneration of executive Directors and the members of senior management by band for FY2025 is set out below:

Remuneration Band	Number of executive Directors and senior management
Nil to HK$1,000,000	3
HK$1,000,001 to HK$1,500,000	1

Nomination Committee

The Company has established the Nomination Committee pursuant to a resolution of the Directors passed on 31 May 2017. The Nomination Committee has written terms of reference in compliance with the CG Code. The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the code provision B.3.1 of the CG Code.

The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board on any proposed changes to the Board to complement the Group's corporate strategy, identify individuals suitably qualified to become Board members, assess the independence of independent non-executive Directors and make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and the chief executives.

As at the date of this report, the Nomination Committee has three members comprising of two independent non-executive Directors and one executive Director, namely Mr. Lynch Stephen Joseph Chor (Chairman), Ms. Lim Joo Seng and Mr. Ong Gim Hai. The Nomination Committee is chaired by an independent non-executive Director, comprising a majority of independent non-executive Directors and at least one director of a different gender.

One Nomination Committee meeting was held throughout FY2025. Details of members' attendance record of the Nomination Committee meeting are set out as follow:

Name of members	Attendance/ Number of meeting held
Mr. Lynch Stephen Joseph Chor *(Chairman) (Appointed on 30 June 2025)*	N/A
Ms. Lim Joo Seng	1/1
Mr. Ong Gim Hai	1/1
Mr. Tang Chak Lam Gilbert *(Chairman) (Ceased on 30 June 2025)*	1/1

The summary of the work of the Nomination Committee at the said meeting or by way of written resolutions is as follows:

(i) reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;

(ii) assessed the independence of independent non-executive Directors;

(iii) made recommendations on the retiring directors at the AGM of the Company; and

(iv) considered the candidate's integrity, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity on selection of candidates for directorship of the Company.

Nomination policy

Pursuant to the nomination policy adopted by the Company, the Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to shareholders for election as directors at general meetings or appoints as directors to fill casual vacancies.

Selection of proposed candidates shall be based on a range of criteria in assessing their suitability, including but not limited to, reputation of integrity, qualifications, commitment in respect of available time and relevant interest, the board diversity policy adopted by the Company, and whether the candidates would be considered independent with reference to the independence guidelines as set out in the Listing Rules under the case of selection of independent non-executive directors.

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation. As there may be more candidates than the vacancies available, and the "gross-vote" method will be used to determine who shall be elected as a director, shareholder proposed resolutions shall therefore take the same form as the resolutions proposed for the candidates recommended by the Board.

Board Diversity Policy

The Board adopted a board diversity policy (the "Board Diversity Policy") in accordance with the requirement set out in the CG Code. The Board Diversity Policy aims to set out the approach to maintain diversity on the Board for long term sustainable development. The Company recognises and embraces the benefits of having a diverse Board. All Board appointments shall be made on a meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates shall be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background or professional experience. The ultimate decision shall be based on merit and contribution that the selected candidates shall bring to the Board.

The Board recognises the importance and benefits of gender diversity at the Board level and workforce throughout the Group and shall continue to take initiatives to identify female candidate(s) to enhance the gender diversity of the Group.

As at 31 December 2025, the Board comprised five Directors, one of which was female. The Group had 14 employees *(2024: 16 employees)* (including executive Directors) in total comprising of 4 females and 10 males *(2024: 6 females and 10 males)* as at 31 December 2025, that is, a female-to-male ratio of approximately 0.4:1 *(2024: approximately 0.6:1)*. We will continue with our endeavor to achieve gender equality in the Group.

Corporate Governance Report

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives have been adopted:

(i) The Company should comply with the requirements on board composition in the GEM Listing Rules from time to time;

(ii) The number of independent non-executive Directors should be not less than three and one-third of the Board;

(iii) At least one Director is female;

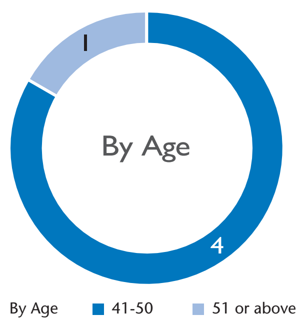
(iv) At least one Director shall have obtained accounting or other professional qualifications; and

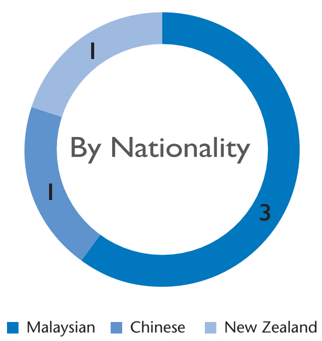
(v) At least one Director should be the professional or have intensive experience of the industry on which the business of the Group is.

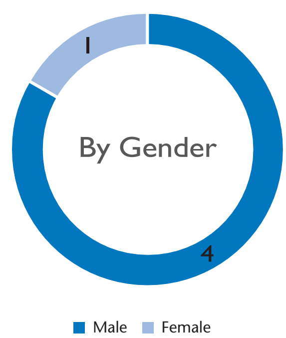
For FY2025, all measurable objectives have been fulfilled.

The Board and the Nomination Committee review the implementation and effectiveness of the Board Diversity Policy on an annual basis. The implementation and effectiveness of the Board Diversity Policy of the Company for FY2025 have been reviewed by the Board and the Nomination Committee and considered it to be effective.

As at the date of this report, the Group had five Directors in the Board. Set out below is the detailed breakdown of the number of Directors by age, professional experience, nationality and gender.







The Board has also reviewed and considered that the following mechanisms are effective during FY2025 in ensuring that independent views and input are provided to the Board:

(i) Long serving independent non-executive Directors (i.e. independent non-executive Directors serving more than nine years) to be eligible for nomination by the Board to stand for re-election by the Shareholders;

(ii) Independent non-executive Directors receive fixed fee(s) for their role as members of the Board and the Board committee(s) as appropriate, and are not entitled to participate in the share award scheme of the Company, if any;

(iii) In assessing suitability of the candidates, review their profiles based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background or professional experience;

(iv) The Board reviews each Director's time commitment to the Group's business annually;

(v) Independent non-executive Directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration;

(vi) The Company adopts the Model Code as the Code of Conduct and provides guidance to Directors and committee members of the Company on avoiding conflicts of interest and on the circumstances under which appropriate action(s) shall be taken by the Director in conflict; and

(vii) To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the Company Secretary as well as from independent professional advisers at the Group's expense.

Dividend Policy

The Board adopted a dividend policy (the "Dividend Policy") in accordance with the requirement set out in the code provision, which aimed to provide stable and sustainable returns to the Shareholders. Pursuant to the Dividend Policy, the Board has the sole discretion to propose and determine the declaration and payment of dividends and the manner or form in which it shall be paid.

Determination on dividend distribution shall be taken into account of the financial position of the Group, the Group's actual and future operations and liquidity position, the Group's expected working capital requirements and future expansion plans, the Group's debt to equity ratios and the debt level, any restrictions on payment of dividends that may be imposed by the Group's lenders, the accumulated profits and other distributable reserves of the Company and each of the members of the Group, the shareholders' and investors' expectation and industry's norm, the general market conditions, and any other factors that the Board deems appropriate.

The Board did not recommend the payment of final dividend for FY2025 *(FY2024: Nil)*.

Corporate Governance Report

Corporate Governance

The Board is also responsible for the corporate governance functions under code provision A.2.1 of the CG Code. During FY2025, the summary of the work of the Board is as follows:

(i) developed, reviewed and recommended to the Board on the Company's policies and practices on corporate governance;

(ii) reviewed and monitored the training and continuous professional development of directors and senior management of the Company;

(iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) developed, reviewed and monitored the code of conduct applicable to employees and directors; and

(v) reviewed the Company's compliance with the CG Code and disclosure in the corporate governance report.

EMOLUMENT POLICY OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration policy of the Group is to ensure the competitiveness of total remuneration to Directors and senior management in the market. It will be generally determined with reference to the skills, experience, knowledge and roles of them. Except for the abovementioned criteria, the Group will also consider the Company's performance and the prevailing market conditions for the emoluments of executive Directors and efforts and time dedicated to the participation in Company affairs for the emoluments of non-executive Director, independent non-executive Directors and senior management.

FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for FY2025 which give a true and fair view of the state of affairs of the Group in accordance with the statutory requirements and accounting standards and other financial disclosure requirements under the GEM Listing Rules. The financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

The Directors are not aware of material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. Therefore, the consolidated financial statements are prepared in going concern basis.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's internal control and has conducted a review of the effectiveness of the internal control of the Group annually during FY2025 by:

(i) identifying, assessing and managing the risks associated with the Group's operations from time to time to ensure due compliance with laws and regulations applicable to the Group;

(ii) overseeing the implementation of relevant internal control policies; and

(iii) reviewing the effectiveness of the Group's risk management and internal control system.

In addition to the Code of Conduct for the Directors, the Company has also established written guidelines no less exacting than the Model Code for any employee or director of the Group or the holding company of the Company who, because of his office or employment, is likely to possess inside information in relation to the Company or its securities employees in respect of their dealings in the Company's securities, and the procedures and internal controls for handling and dissemination of inside information.

As the corporate and operation structure of the Group is not complex and a separate internal audit department may divert resources of the Group, the Group currently does not have an internal audit department. However, the Group has engaged an independent internal control consultant to, on an annual basis, review and provide recommendations on improving its internal control system in order to manage our business risks and to ensure our smooth operation. The review covered certain operational procedures. No significant control failings or weakness have been identified by the consultant during the review. The Board and the Audit Committee would review the need for an internal audit function on an annual basis.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for FY2025. The Board and the Audit Committee considered the risk and management and internal control systems effective and adequate. No significant areas of concern that might affect shareholders were identified.

It should be acknowledged that the Group's risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives at the reasonable level, but not absolute assurance against material misstatement or loss.

AUDITOR'S REMUNERATION

The consolidated financial statements for FY2025 and FY2024 have been audited by independent auditor, Forvis Mazars CPA Limited ("Forvis Mazars").

For FY2025 and FY2024, the remuneration paid or payable to Forvis Mazars is set out below:

	2025 ***HK$'000***	2024 *HK$'000*
Audit services	**690**	860
Non-audit services	**60**	60
	750	920

The Audit Committee has expressed its views to the Board that the level of fees paid/payable to the Company's external auditor for annual audit services is reasonable. There has been no major disagreement between the auditor and the management of the Company during FY2025.

The responsibilities of the external auditor about its financial reporting are set out in the independent auditor's report attached to the Company's consolidated financial statements for FY2025 in this report.

Corporate Governance Report

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICIES

The Group adopts a policy of zero tolerance towards bribery, extortion, fraud and money-laundering. The Group has adopted anti-bribery and anti-corruption policy (the "Anti-Corruption Policy") to ensure that all employees comply with the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), Anti-Corruption Commission Act 2009 in Malaysia, Prevention of Corruption Act in Singapore and Criminal Law of the PRC, where applicable, as well as our internal policies on the prevention of corruption.

The Group has also adopted a whistleblowing policy (the "Whistleblowing Policy") to encourage reporting of bribery, extortion, fraud and money laundering, under which all employees have a responsibility to report to their supervisor or senior management any suspected violations, malpractice or impropriety within the Group.

Details of implementation of the Anti-Corruption Policy and the Whistleblowing Policy are set out in the section headed "Environmental, Social and Governance Report" on page 34 in this report.

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group and, as at the date of this report, the Directors and officers of the Company are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company.

COMPANY SECRETARY

Ms. Wong Po Lam has been appointed by the Board as the Company Secretary with effect from 21 December 2020. The biographical details of Ms. Wong are set out in the section headed "Biographical Details of Directors and Senior Management" on page 12 in this report. Ms. Wong is not an employee of the Group and she is responsible for advisory to the Group on corporate governance matters. Mr. Ong, executive Director, is the person who Ms. Wong can contact for the purpose of code provision C.6.1 of the CG Code.

Ms. Wong has confirmed that she has no less than 15 hours of relevant professional training in accordance with Rule 5.15 of the GEM Listing Rules during FY2025.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting ("EGM")

Pursuant to Article 12.3 of the Articles, the Board may, whenever it thinks fit, convene an EGM. General meetings shall also be convened on the written requisition of any one or more members of the Company (the "Members") deposited at the principal place of office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by requisitionist(s), provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on an one vote per share basis, of the issued shares which as at that date carry the right to vote at general meetings of the Company. General meetings may also be convened on the written requisition of any one member which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such principal office, the registered office specifying the objects of the meeting are signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further twenty one days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Procedures of putting enquiries to the Board

The Members' requisition, as stated above, must state the objects of the meeting and must be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong. It may consist of several documents in like form each signed by one or more requisitionists.

Procedures of putting forward proposals at shareholders' meeting

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Companies Law (Revised) of Cayman Islands. However, pursuant to the Articles, the Shareholders who wish to move a resolution may by means of requisition convene an EGM following the procedures set out above.

INVESTOR RELATIONS

The Company has established a range of channels to maintain effective communication between the Company itself, the Shareholders and potential investors by the following ways:

(i) the publication of interim and annual reports;

(ii) regular AGM or EGM which provide a platform for the Shareholders to exchange opinions with the Board;

(iii) the publication of updated and key information of the Group on the websites of GEM and the Company; and

(iv) the offer of the enquiry page on the website of the Company.

Corporate Governance Report

The Company aims to provide its Shareholders and investors with high standards of disclosure and financial transparency and has established a shareholders communication policy between itself, its Shareholders and investors which aims to set out the principles of the Company in relation to the shareholders' communications. The policy will be under review from time to time in order to ensure its effectiveness. The Board is committed to provide clear and detailed information of the Group to Shareholders through the publication of quarterly, interim and annual reports and/or despatching circulars, notices, and other announcements on a timely and regular basis.

Shareholders may at any time send their enquiries either by post, by facsimiles or by email, together with their contact details, such as postal address, email or fax, to the principal place of business of the Company in Hong Kong at the following address, facsimile number or via email:

Room 1910, 19/F, C C Wu Building
302-308 Hennessy Road
Wan Chai
Hong Kong
Fax: +852 2529 9449
Email: contact@nexion.tech

CONSTITUTIONAL DOCUMENTS

On 20 May 2022, the Articles have been approved in the AGM. Details of the amendments of the Articles have been set out in the announcement of the Company dated 24 March 2022 and the circular of the Company dated 30 March 2022. The Articles is available on the Company's website at http://nexion.com.hk and the Stock Exchange's website.

On behalf of the Board
Kenneth Vun
Chairman of the Board

Malaysia, 27 March 2026

The Directors submit herewith their report together with the audited consolidated financial statements of the Company for FY2025.

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's headquarters and principal place of business are A-2-3, Block A, Jalan Pju 1A/3J, Taipan 1, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The Company's principal place of business in Hong Kong is Room 1910, 19/F, C C Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in provision of cyber security solutions and IT software development and SaaS (discontinued). The principal activities of its principal subsidiaries are set out in Note 16 to the consolidated financial statements in this report.

BUSINESS REVIEW

The business review and the likely future development of the Group's business for FY2025 is set out in the section headed "Chairman's Statement" and "Management Discussion and Analysis" in pages 4 to 5 and pages 13 to 17 respectively in this report.

PRINCIPAL RISKS AND UNCERTAINTIES

A summary of the principal risks and uncertainties which may impact the Group's financial conditions, results of operations or future performance and how the Group to mitigate these risks is set out below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties faced by the Group, but rather those risks which the Group currently believes may have a significant impact on the Group's performance and future prospects.

Principal risk	Description	Mitigating actions
Operational risk	Dependent on major customers for a significant portion of the Group's business and any loss of projects from major customers could have a material adverse effect on the Group's business, results of operations and financial condition.	• Maintains good and long-term relationships with the existing customers. • Introduce various marketing and promotional activities to attract potential customers and to increase market awareness. • continue to work on opportunities and explore the markets with the current and new technological offerings.

Report of the Directors

Principal risk	Description	Mitigating actions
Strategic risk	Strategic risk is the risk that profitability and/or reputation of the Group could be adversely impacted by failure to anticipate and respond to changes in technologies or needs.	• Regularly discuss with customers to update its needs, and supplies to update available upgrades or new solutions in the market. • Regularly review on strategy and performance of each business unit. • Regularly review forward looking indicators to the information technology industry.
Personnel risk	Loss of services of any key management personnel which could have a material adverse effect on the Group's business since the Group is dependent on key management personnel for its operations, profitability and prospects.	• Provide competitive reward and benefit packages that ensure our ability to attract and retain the employees we need. • Provide trainings and opportunities to different grade of employees to mitigate the effect of the Group from loss of key management temporarily. • Ensure that the employees of the Group has the right working environment to enable them to do the best job possible and maximise their satisfaction at work.
Legal and regulatory risk	Breach of laws and regulations or claims from third parties that the Group is infringing their intellectual property rights could lead to litigation, investigations or disputes, resulting in additional costs being incurred, civil and/or criminal proceedings and reputational damage.	• Monitor changes and developments in the regulatory environment and ensure that sufficient resources being made available to implement any required changes. • Seek legal or other specialist advice as appropriate.
Economic risk	Any downturn in global economic conditions or in any of the markets in which the Group operates may adversely affect its business, financial condition, results of operations and cash flows.	• Regularly review forward looking indicators to identify economic conditions.

Principal risk	Description	Mitigating actions
Political risk	Any political climate in the emerging country in which the Group operates may adversely affect its business, financial condition, results of operations and cash flows.	• Monitor changes and developments in the political environment of the emerging countries. • Seek alternative plans to mitigate losses and grasp business opportunities in the emerging countries.
Liquidity/ Credit risk	Failure/delay payments by customer or counterparty to a financial asset, which could also affect cash flow of the Group.	• Fully understand customers and counterparties and carry out credit quality assessment on them before entering into a transaction. • Regularly monitor trade and other receivables and assess for their recoverability.

Further descriptions of the Group's financial risk (including credit risk, foreign currency risk and liquidity risk) management objectives and policies are set out in Note 28 to the consolidated financial statements in this report.

The Group's risk management activities are performed by the Board on an ongoing basis. Further description on the Group's risk management and internal control measures, please refer to the section headed "Risk Management and Internal Control" in pages 64 to 65 in this report.

An analysis of the Group's performance during FY2025 using financial key performance indicators is set out in the section headed "Financial Summary" and "Management Discussion and Analysis" on pages 143 to 144 and pages 13 to 17 in this report respectively.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Environmental concerns is an essential issue to be addressed by the Board for the sustainable development of society and the operation of the Group. The Group has endeavored to comply with laws and regulations regarding environmental protection.

The Group has also established an internal policy regarding to the creation of environmental friendly environment for employees to follow. The internal policy will be reviewed along with the employees' feedback, business development and latest legislations and regulations regularly.

Details of environmental, social and governance policies and performance of the Group are set out in the section headed "Environmental, Social and Governance Report" on pages 18 to 52 in this report.

Report of the Directors

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Employees

The Group considers employees are the important assets and their contribution is valued at all times. The Group provided competitive remuneration package to attract and retain high quality employees for long term business development. The Group reviews the compensation to employees in accordance with their performances, contributions and the prevailing market practice annually. The Group regularly provides various training to the employees to uphold the high quality and competitive workforce. The Directors believe that the Group has a good relationship with its employees. Up to the date of this annual report, the Group had not experienced any significant problems with its employees or disruption to its operation due to labour disputes nor had it experienced any material difficulties in recruiting or retaining experienced staff.

Customers

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback for improvements in the products and services. Comprehensive tests and checks are conducted to ensure the quality of products and services provided. The Group offers a competitive price to customers so as to build up and strengthen the current relationship with customers for potential business opportunities.

Suppliers

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of any production.

RESULTS AND APPROPRIATION

The results of the Group for FY2025 and the financial position of the Group as at 31 December 2025 are set out in the consolidated financial statements on pages 86 to 91 in this report.

The Board does not recommend the payment of a final dividend for FY2025.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 143 in this report.

2026 AGM AND CLOSURE OF REGISTER OF MEMBERS

To ascertain the entitlement to attend and vote at the annual general meeting to be held on Friday, 8 May 2026 (the "2026 AGM"), the register of members of the Company will be closed from Tuesday, 5 May 2026 to Friday, 8 May 2026 (both days inclusive) during which no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2026 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 4 May 2026.

CONNECTED/RELATED PARTIES TRANSACTIONS

The Company had not entered into any connected transaction during FY2025 which is required to be disclosed under the GEM Listing Rules. Related party transactions entered into by the Group during FY2025, which constitute fully exempt connected transactions or continuing connected transactions under Chapter 20 of the GEM Listing Rules are disclosed in Note 27 to the consolidated financial statements in this report.

SHARE CAPITAL

Details of the movements in the share capital of the Company during FY2025 are set out in Note 22 to the consolidated financial statements in this report.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to its existing shareholders of the Company.

SHARE OPTION SCHEME

The following is a summary of principal terms of the share option scheme (the "Scheme") which was conditionally approved by a resolution of the shareholders of the Company passed on 31 May 2017 and became unconditional upon the listing of the Company's shares on the Stock Exchange. The principal terms of the Scheme are set out in the paragraph headed "Share Option Scheme" under the section headed "Statutory and General Information" of the Prospectus.

The purpose of the Scheme is to reward any directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, partners, joint venture business partners, promoters or service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group (the "Participants"), who have contributed to the Group and to encourage Participants to work towards maximising the value of the Company and the shares for the benefit of the Company and the Shareholders as a whole.

The maximum number of Shares which may be issued upon the exercise of all options to be granted under the Scheme and any other Schemes of the Group shall not in aggregate exceed 10% of the total number of Shares in issue as at Listing Date, which amounts to 60,000,000 shares. As at the date of this report, the total number of shares available for issue in respect of which options may be granted under the Scheme (including the share options granted but yet to be issued) is 60,000,000 shares, representing approximately 6.76% of the issued shares of the Company as at the date of this report. No options may be granted to any Participant of the Scheme such that the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to that person in any twelve-month period up to the date of the latest grant exceeds 1% of the Company's issued shares from time to time. Any further grant of share option in excess of this limit must be separately approved by Shareholders in general meeting.

Report of the Directors

An option may be exercised in accordance with the terms of the Scheme at any time during a period as determined by the Board and not exceeding ten years from the date of the grant under the Scheme. The offer of the grant of the share option (the "Offer") is deemed to be accepted when the Company receives from the Participants who accepts an Offer in accordance with the terms of the Scheme, or (where the context so permits) a person entitled to any such option in consequence of the death of the original grantee, or the personal representative of such person (the "Grantee"), the offer letter signed by the Grantee specifying the number of the Shares in respect of which the Offer is accepted, and a remittance to the Company of HK$1 as consideration for the grant of the option. There is no minimum period for which an option must be held before it can be exercised. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than the higher of:

(i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date on which the option is granted, which date must be a business day;

(ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which the option is granted; and

(iii) the nominal value of the Company's share on the date on which the option is granted.

The Scheme shall be valid and effective for a period of ten years commencing from the adoption date, which is 31 May 2017. The Company may, by ordinary resolution in a general meeting or, the Board, on such date as the Board determines, terminate the Scheme at any time without prejudice to the exercise of options granted prior to such termination.

During FY2025 and FY2024, no share option was granted, cancelled, exercised or lapsed pursuant to the Scheme and none of the Directors or chief executive of the Company or their respective spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). There was no share option outstanding as at 31 December 2025 and 2024.

As at 31 December 2025 and 1 January 2025, the total number of shares available for issue in respect of which options may be granted under the Scheme (including the share options granted but yet to be issued) is 60,000,000 shares and 60,000,000 shares, respectively.

PURCHASE, SALE OR REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the shares of the Company (including sale of treasury shares) during FY2025. As at 31 December 2025, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

RESERVE

Details of the movements in reserves of the Group and the Company during FY2025 are set out in the consolidated statement of changes in equity on pages 89 to 90 and Note 30 to the consolidated financial statements in the report respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company has share premium and capital reserve of approximately HK$90,001,000 *(2024: approximately HK$90,001,000)* and approximately HK$30,592,000 *(2024: approximately HK$30,592,000)* respectively. It is distributable to the Shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business. Details of movements in the reserves of the Company during FY2025 are set out in the consolidated statement of changes in equity on pages 89 to 90 and Note 30 to the consolidated financial statements in this report.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during FY2025 were there any rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were there any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

BANK LOANS AND OTHER BORROWINGS

No bank loans and other borrowings were entered by the Group as at 31 December 2025 and 2024.

EQUITY-LINKED AGREEMENT

Save as the share option scheme of the Company, no equity-linked agreement was entered into by the Company or subsisted during FY2025 which (a) will or may result in the Company issuing shares; or (b) requires the Company to enter into an agreement that will or may result in the Company issuing shares.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during FY2025.

DONATION

During FY2025 and FY2024, the Group did not make any donation with the amount not less than HK$10,000 in accordance with relevant disclosure requirement under Hong Kong Companies Ordinance.

DIRECTORS

The Directors during FY2025 up to the date of this report were:

Executive Directors

Mr. Kenneth Vun *(Chairman) (Appointed on 12 May 2025)*
Mr. Ong Gim Hai *(Ceased as Chairman on 12 May 2025)*

Non-executive Director

Mr. Roy Ho Yew Kee *(Resigned on 30 June 2025)*

Independent non-executive Directors

Ms. Lim Joo Seng
Mr. Lynch Stephen Joseph Chor *(Appointed on 30 June 2025)*
Mr. Yeung Chun Yue David
Mr. Tang Chak Lam Gilbert *(Resigned on 30 June 2025)*

Biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 9 to 12 in this report.

Report of the Directors

Pursuant to article 16.18 of the Articles, at every AGM of the Company one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than, one third) shall retire from office by rotation provided that every director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Directors required to stand for re-election pursuant to article 16.2 of the Articles shall not be taken into account in determining the number of Directors and which directors are to retire by rotation. A retiring director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any AGM at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

Directors who will retire and, being eligible, offer themselves for re-election as Directors at the 2026 AGM is set out in the section headed "Corporate Governance Report" in pages 56 to 57 in this report.

DIRECTORS' SERVICE CONTRACT

Each of the executive Directors has entered into a service agreement with the Company with no fixed term. Each of non-executive Director and the independent non-executive Directors has entered into an appointment letter with the Company for a fixed term of three years. The service contracts and appointment letters may be terminated in accordance with the terms of the individual service agreement, and is subject to termination provisions therein and retirement and re-election at the AGM in accordance with the Articles or any other applicable laws from time to time whereby he or she shall vacate his office.

None of the Directors has entered into any service agreement with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received an annual confirmation of independence from each independent non-executive Director pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers the independent non-executive Directors to meet all independence guidance in Rule 5.09 and to remain independent as at the date of this report.

PERMITTED INDEMNITY PROVISION

Pursuant to the article 33 of the Articles, every director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted. During FY2025, the Company has arranged appropriate insurance cover in respect of claims and legal actions against the Directors and its officers.

DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in shares, underlying shares and Debentures of the Company

As at 31 December 2025, none of the other Directors nor chief executives of the Company have registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, so far as known to any director, the following persons (other than the directors and chief executive of the Company) had interest or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares or underlying shares of the Company

Name of Shareholders	Capacity/Nature	Number of Shares held/ interested in *(Note 1 and 2)*	Percentage of issued share capital
Alpha Sense Investments Limited ("Alpha Sense (BVI)") *(Note 3)*	Beneficial owner	154,838,000 (L) 154,838,000 (S)	17.44%
Mr. Foo *(Note 3)*	Interest in a controlled corporation	154,838,000 (L) 154,838,000 (S)	17.44%
XOX (Hong Kong) Limited ("XOX Hong Kong") *(Note 4)*	Beneficial owner	117,848,500 (L)	13.27%
XOX Bhd *(Note 4)*	Interested in a controlled corporation	117,848,500 (L)	13.27%
Mr. Vun *(Note 5)*	Interested in a controlled corporation	13,340,450 (L)	1.50%

Notes:

1. The Letter "L" demonstrates long position.

2. The Letter "S" demonstrates short position.

3. Alpha Sense (BVI) is an investment holding company incorporated in the British Virgin Islands and is wholly-owned by Mr. Foo. Mr. Foo has resigned as the Chairman, executive Director and the Chief Executive Officer with effect from 31 May 2022. By virtue of the SFO, Mr. Foo is deemed to be interested in the 154,838,000 Shares held by Alpha Sense (BVI).

4. XOX Hong Kong is an investment holding company incorporated in Hong Kong and is wholly-owned by XOX Bhd. XOX Bhd is a company incorporated in Malaysia, the shares of which are listed on Bursa Malaysia (stock code: 0165). By virtue of the SFO, XOX Bhd is deemed to be interested in the 117,848,500 Shares held by XOX Hong Kong.

5. Mr. Vun beneficially owns the entire issued shares of VCAP Global Inc, which in turn holds 21,000,000 shares or approximately 11.32% of XOX Berhad. Therefore, Mr. Vun is deemed, or taken to be, interested in the 13,340,450 Shares held by XOX (Hong Kong) Limited in proportion of Mr. Vun's indirect shareholding in XOX (Hong Kong).

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

DIRECTORS' INTEREST IN TRANSACTION, ARRANGEMENT AND CONTRACT OF SIGNIFICANCE

Apart from the related party transactions disclosed in Note 27 to the consolidated financial statements in this report, no transaction, arrangement and contract of significance to which the Company or any of its subsidiaries, or its holding company was a party and in which a director or an entity connected with a director had a material interest directly or indirectly subsisted at the end of the year or at any time during FY2025.

Report of the Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed "Share Option Scheme" and "Directors and Chief Executives' Interests and Short Positions in shares, Underlying shares and Debentures of the Company" in this annual report, at no time during FY2025 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executives of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors, the Company has maintained the public float as required by the Rule 17.38A of the GEM Listing Rules up to the date of this report.

DIRECTORS' EMOLUMENTS AND TOP FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' emoluments and top five highest paid individuals are set out in Notes 7 and 8 to the consolidated financial statements respectively in this report.

No Directors or the top five highest paid individuals have waived or agreed to waive any emoluments during FY2025 *(FY2024: Nil)*.

HUMAN RESOURCES AND EMOLUMENT POLICY

The Group's remuneration policies are formulated based on the performance of individual employees and are reviewed in a regular basis. The Group may also provide a discretionary bonus to employees as an incentive for their contribution to the Group in accordance with the Group's performance during FY2025.

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

The Company maintains a share option scheme to attract and retain individuals with experience and ability and/or to reward them for their past contributions. Please refer to the paragraphs headed "Share Option Scheme" in this report for details of such scheme.

The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to the employees have contributed to building good staff relations and retention. The Group continues to provide training for new staff and existing staff to enhance their technical knowledge, which are believed to increase the productivity and efficiency.

CONTRIBUTIONS TO THE RETIREMENT BENEFITS SCHEME

Details of contributions to the retirement benefits scheme of the Group are set out in "Employee and remuneration policy" under section headed "Management Discussion and Analysis" on pages 16 to 17, Notes 2 and 6 to the consolidated financial statements in this report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

Save as otherwise disclosed, no contract of significance to which the Company, its holding companies, or any of its subsidiaries was a party, and in which the controlling shareholders of the Company or any of its subsidiaries had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during FY2025.

MAJOR CUSTOMERS AND SUPPLIERS

For FY2025, the Group made approximately 62.9% *(FY2024: approximately 56.8%)* of its entire sales to Group's five largest customers and sales to the largest customer included therein amounted to approximately 39.0% *(FY2024: approximately 23.0%)*. Purchases from the Group's five largest suppliers accounted for approximately 70.9% *(FY2024: approximately 35.7%)* of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 35.7% *(FY2024: approximately 10.6%)*.

None of the Directors, their close associates, or any shareholder of the Company (which to the knowledge of the directors own more than 5% of the issued shares of the Company) had an interest in the Group's five largest customers and suppliers.

INTERESTS IN COMPETING BUSINESS

During FY2025 and up to the date of this report, the Directors were not aware of any of Directors, substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in any business that directly or indirectly competed or might compete with the business of the Group.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 53 to 68 in this report.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less strict than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the Code of Conduct. The Company also made specific enquiry with Directors and the Company was not aware of any non-compliance with the required standard as set out in the Code of Conduct from the Listing Date to 31 December 2025.

COMPLIANCE WITH LAW AND REGULATIONS

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong, Malaysia, Singapore and the PRC during FY2025. The Group also complies with the requirements under the Companies Law of the Cayman Islands, the GEM Listing Rules and the SFO for the disclosure of information and corporate governance.

AUDITOR

The consolidated financial statements for FY2025 and FY2024 have been audited by independent auditor, Forvis Mazars, who will retire, and being eligible, offer themselves for re-appointment. A resolution for Forvis Mazars's re-appointment as the auditor of the Company will be proposed at the 2026 AGM.

On behalf of the Board
Kenneth Vun
Chairman of the Board

Malaysia, 27 March 2026

Independent Auditor's Report

FORVIS MAZARS CPA LIMITED
富睿瑪澤會計師事務所有限公司
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To the members of
Nexion Technologies Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Nexion Technologies Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 86 to 142, which comprise the consolidated statement of financial position of the Group as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025, and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(Continued)*

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>Recoverability assessment of trade receivables

Refer to principal accounting policy and critical accounting estimate and judgement in Note 2, the disclosures of trade receivables in Note 18 and the disclosures of the financial risk management – credit risk in Note 28 to the consolidated financial statements

At 31 December 2025, the Group had trade receivables of approximately HK$7,295,000, net of loss allowances of approximately HK$2,009,000.

Management performed credit evaluations for the Group's debtors and assessed expected credit losses of trade receivables. These assessments were focused on the debtors' settlement record and their current repayment ability, and also took into account information specific to respective debtor as well as pertaining to the economic environment in which the debtor operates.

We identified this matter as a key audit matter because the balances are material to the Group and significant degree of judgements were made by the management in assessing the credit standing of the Group's debtors and therefore the estimation of expected credit losses of trade receivables.</td><td>Our procedures, among others, included:

a) understanding and evaluating the design, and determining the implementation of management's key controls over the expected credit losses assessment process;

b) obtaining management's assessment of expected credit losses of trade receivables and assessed the reasonableness of the key underlying information referenced by the management;

c) assessing the appropriateness of methodology and reasonableness of significant assumptions used in ECL assessment of trade receivables;

d) checking and assessing, on a sample basis, whether the loss allowance was properly supported by considering available forward-looking information, the debtors' ageing analysis, settlement record and history of default; and

e) in respect of receivables of individual debtors which had not been identified by management as potentially impaired, corroborating management's assessment with the external evidence obtained (e.g. public information available to us), our examination of the debtors' payment records during the current year and subsequent to the end of the reporting period, as well as the historical collection records.</td></tr>
</table>

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of goodwill arising from acquisition of WerkDone Pte. Ltd. ("WerkDone") *Refer to principal accounting policy and critical accounting estimate and judgement in Note 2 and the disclosures of goodwill in Note 15 to the consolidated financial statements*	
At 31 December 2025, the Group had goodwill (net of impairment loss) of approximately HK$2,835,000 arising from acquisition of WerkDone in 2021. For the purpose of assessing impairment on goodwill arising from business combination, goodwill is allocated to cash generating units ("CGUs") and the recoverable amount of the CGU identified was determined with reference to value-in-use (the "VIU") calculations using cash flow projections. In carrying out the impairment assessments, significant management judgement was used to identify CGUs and determine the key assumptions underlying the VIU calculations. At the end of the reporting period, management has assessed the impairment on goodwill. We identified this matter as a key audit matter because those items are material to the Group and the estimation of recoverable amount of CGUs involved a significant degree of management judgement and therefore was subject to an inherent risk of error.	Our procedures, among others, included: a) understanding the processes and methodology, significant assumptions adopted and key inputs used in the impairment test of goodwill, such as the revenue growth rates, gross margins and discount rates, and comparing with our understanding of the latest operating information and conditions and evaluating the assumptions; b) understanding and evaluating management's key controls over the impairment assessment process; c) assessing the appropriateness of the methodology and the reasonableness of significant assumptions used by the management to estimate recoverable amount of CGUs based on our knowledge and understanding of the businesses and industry; d) reconciling key input data applied in the VIU calculations to reliable supporting evidence; and e) evaluating the sensitivity of the impairment tests to changes in key assumptions.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2025 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

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

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

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

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

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

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

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

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

We communicate with those charged with governance 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 those charged with governance 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.

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

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

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 27 March 2026

The engagement director on the audit resulting in this independent auditor's report is:
Fong Chin Lung
Practising Certificate number: P07321

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000 (Re-presented)
Continuing operation			
Revenue	4	**23,888**	13,252
Other income, net	5	**39**	164
Cost of inventories sold		**(6,955)**	(6,736)
Cost of services		**(8,781)**	(1,375)
Staff costs and related expenses	6	**(5,625)**	(6,252)
Sales and marketing expenses		**(27)**	(31)
Depreciation and amortisation		**(2,057)**	(828)
(Provision for) Reversal of impairment loss on trade and other receivables, net	28	**(269)**	88
Write down on inventories	17	**–**	(2,315)
General and administrative expenses		**(3,818)**	(3,834)
Finance costs	6	**(3)**	–
Loss before income tax from continuing operation	6	**(3,608)**	(7,867)
Income tax credit	9	**3**	–
Loss for the year from continuing operation		**(3,605)**	(7,867)
Discontinued operations			
Loss for the period/year from discontinued operations	19	**(247)**	(7,650)
Loss for the year		**(3,852)**	(15,517)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Release of exchange reserve upon disposal of subsidiaries	26	**139**	–
Exchange difference arising on translation of foreign operations		**1,250**	(569)
Other comprehensive income (loss) for the year		**1,389**	(569)
Total comprehensive loss for the year		**(2,463)**	(16,086)
Loss for the year attributable to:			
Equity holders of the Company		**(3,832)**	(14,695)
Non-controlling interests		**(20)**	(822)
		(3,852)	(15,517)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(2,459)**	(15,188)
Non-controlling interests		**(4)**	(898)
		(2,463)	(16,086)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000 (Re-presented)
From continuing and discontinued operations			
Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)	*10*	**(0.43)**	(1.66)
From continuing operation			
Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)	*10*	**(0.41)**	(0.89)
From discontinued operations			
Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)	*10*	**(0.02)**	(0.77)

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment	*12*	**1,392**	1,222
Right-of-use assets	*13*	**124**	6
Intangible assets	*14*	**2,954**	2,017
Goodwill	*15*	**2,835**	2,663
		7,305	5,908
Current assets			
Inventories	*17*	**26**	199
Trade and other receivables	*18*	**9,254**	9,008
Income tax recoverable		**77**	169
Bank balances and cash		**7,271**	10,613
		16,628	19,989
Current liabilities			
Trade and other payables	*20*	**9,971**	9,591
Lease liabilities	*13*	**125**	6
		10,096	9,597
Net current assets		**6,532**	10,392
NET ASSETS		**13,837**	16,300
Capital and reserves			
Share capital	*22*	**8,878**	8,878
Reserves	*23*	**4,959**	7,895
Equity attributable to equity holders of the Company		**13,837**	16,773
Non-controlling interests		**–**	(473)
TOTAL EQUITY		**13,837**	16,300

These consolidated financial statements on pages 86 to 91 were approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Kenneth Vun
Director

Ong Gim Hai
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to equity holders of the Company							
	Share capital *HK$'000* *(Note 22)*	Share premium *HK$'000* *(Note 23)*	Capital reserve *HK$'000* *(Note 23)*	Exchange reserve *HK$'000* *(Note 23)*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 January 2024	8,878	82,728	5,072	(872)	(63,845)	31,961	425	32,386
Loss for the year	–	–	–	–	(14,695)	(14,695)	(822)	(15,517)
Other comprehensive loss:								
Item that are classified or may be reclassified subsequently to profit or loss								
Exchange difference arising on translation of foreign operations	–	–	–	(493)	–	(493)	(76)	(569)
Total comprehensive loss for the year	–	–	–	(493)	(14,695)	(15,188)	(898)	(16,086)
At 31 December 2024	8,878	82,728	5,072	(1,365)	(78,540)	16,773	(473)	16,300

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to equity holders of the Company							
	Share capital *HK$'000* *(Note 22)*	Share premium *HK$'000* *(Note 23)*	Capital reserve *HK$'000* *(Note 23)*	Exchange reserve *HK$'000* *(Note 23)*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 January 2025	8,878	82,728	5,072	(1,365)	(78,540)	16,773	(473)	16,300
Loss for the year	–	–	–	–	(3,832)	(3,832)	(20)	(3,852)
Other comprehensive income:								
Items that are classified or may be reclassified subsequently to profit or loss								
Release of exchange reserve upon disposal of subsidiaries *(Note 26)*	–	–	–	139	–	139	–	139
Exchange difference arising on translation of foreign operations	–	–	–	1,234	–	1,234	16	1,250
Total comprehensive income (loss) for the year	–	–	–	1,373	(3,832)	(2,459)	(4)	(2,463)
Transactions with owners:								
Contribution and distribution								
Deemed acquisition of a subsidiary *(Note (i))*	–	–	–	(88)	(389)	(477)	477	–
Total transactions with owners	–	–	–	(88)	(389)	(477)	477	–
At 31 December 2025	8,878	82,728	5,072	(80)	(82,761)	13,837	–	13,837

Note:

(i) On 18 March 2025, 湖南淥江科技有限公司 ("湖南淥江") undertook a capital reduction, decreasing its registered capital from RMB10,000,000 to RMB7,000,000 (the "Capital Reduction"). The paid-up capital remains unchanged at RMB7,000,000, which has been fully contributed by the Group. Prior to the Capital Reduction, the Group and an independent third party held equity interests in 湖南淥江 of 70% and 30%, respectively. As a result of the Capital Reduction, the independent third party's shareholding was ceased, and the Group holds 100% equity interest in 湖南淥江.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
OPERATING ACTIVITIES			
Cash used in operations	*24*	**(1,869)**	(5,059)
Income tax refund (paid)		**63**	(74)
Net cash used in operating activities		**(1,806)**	(5,133)
INVESTING ACTIVITIES			
Interest received		**3**	13
Acquisition of property, plant and equipment	*12*	**(573)**	(1,260)
Additions to intangible assets	*14*	**(2,236)**	(1,700)
Net cash inflow on disposal of subsidiaries	*26*	**496**	858
Proceeds from disposal of property, plant and equipment		**1**	–
Net cash used in investing activities		**(2,309)**	(2,089)
FINANCING ACTIVITIES			
Repayment of lease liabilities		**(99)**	(38)
Interest paid		**(3)**	(1)
Net cash used in financing activities	*25(b)*	**(102)**	(39)
Net decrease in cash and cash equivalents		**(4,217)**	(7,261)
Cash and cash equivalents at the beginning of the reporting period		**10,613**	18,221
Effect of foreign exchange rate changes, net		**875**	(347)
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash		**7,271**	10,613

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

1. CORPORATE INFORMATION

Nexion Technologies Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 22 June 2016. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is situated at A-2-3, Block A, Jalan Pju 1A/3J, Taipan 1, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The immediate holding company of the Company is XOX (Hong Kong) Limited ("XOX Hong Kong"), which is incorporated in Hong Kong. In the opinion of the directors, the ultimate holding company of the Company is XOX Bhd, which is incorporated in Malaysia.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (the "Group") are principally engaged in provision of cyber infrastructure solutions (discontinued during the year ended 31 December 2024), cyber security solutions services and Information Technology ("IT") software development, and software as a service ("SaaS") (discontinued during the year ended 31 December 2025).

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following revised IFRS Accounting Standard that are relevant to the Group and effective from the current year.

Adoption of revised IFRS Accounting Standard

The Group has applied, for the first time, the following revised IFRS Accounting Standard, that is relevant to the Group:

Amendments to IAS 21	Lack of Exchangeability

Amendments to IAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, incomes and expenses and profits and losses resulting from intra-group transactions are eliminated in full. 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.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRS Accounting Standards.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position as set out in Note 30 to the consolidated financial statements, investments in subsidiaries are stated at cost less impairment loss, if any. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Goodwill

Goodwill arising on an acquisition of a business is measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree (if applicable) and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if applicable) and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Any resulting gain or loss arising from remeasuring the previously held equity interests in the acquiree at the acquisition-date fair value is recognised in profit or loss or other comprehensive income, as appropriate.

Discontinued operations

A discontinued operation is a component of the Group that comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group. It represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property 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. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Depreciation is provided to write off the cost of property, plant and equipment, over their estimated useful lives at the useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Computer equipment	2 – 5 years
Furniture, fixtures and office equipment	2 – 3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Intangible assets

Research and development costs – finite useful lives

Research costs are expensed as incurred. Costs incurred on development activities, which involve the application of research findings to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred. When the asset is available for use, the capitalised development costs are amortised on a straight-line basis over a period of 3 years. For intangible assets yet to be available for use, they are stated at cost less any accumulated impairment losses.

Research and development costs – indefinite useful lives

The initial cost of internally developed technologies is capitalised. Internally developed technologies with indefinite useful lives are carried at cost less accumulated impairment losses as the directors of the Company consider that there is no foreseeable limit on the period of time over which the internally developed technologies can be used to generate economic benefits.

Purchased software copyrights – finite useful lives

The initial cost of acquiring software copyrights is capitalised. Software copyrights are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is provided on the straight-line basis over their estimated useful lives of 3 years.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity instrument measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables and bank balances and cash.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables and lease liabilities. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with IFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(i) past due information

(ii) nature of instrument

(iii) nature of collateral

(iv) industry of debtors

(v) geographical location of debtors

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Measurement of ECL (Continued)

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.

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 Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

(i) 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); or

(ii) there is a breach of financial covenants by the counterparty.

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.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items *(Continued)*

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

No financial instruments are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and 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.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue from contracts with customers within IFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

- Cyber infrastructure solutions (discontinued)
- Cyber security solutions and IT software development
- Maintenance and support service
- SaaS (discontinued)

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers within IFRS 15 *(Continued)*

Timing of revenue recognition (Continued)

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

If contracts involve sales of multiple elements, transaction price will be allocated to each performance obligation in proportion to their relative stand-alone selling prices of the goods or services underlying each of those performance obligation at contract inception.

Revenue from cyber infrastructure solutions, cyber security solutions and IT software development and SaaS includes sales of hardware and software and/or service components. Generally, engagements of this nature involve multiple elements and revenue is recognised at a point in time upon satisfaction of each performance obligation, which the customer obtains the control of the promised assets and/or services.

Maintenance and support service income is recognised over time on a straight-line basis over the life of the related agreement.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Contract liabilities

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For maintenance and support service income, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed d (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Hong Kong dollars ("HK$") and the consolidated financial statements are presented in HK$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period.

- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate.

- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

- on the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

- on the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

- on all other partial disposals, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of other assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that the Group's property, plant and equipment, right-of-use assets, intangible assets and the Company's investments in subsidiaries may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. In addition, the Group tests its intangible assets that are yet to be available for use for impairment by estimating their recoverable amount on an annual basis and whenever there is an indication that those assets may be impaired. If any such indication exists, the recoverable amount of intangible assets not yet available for use is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as an income in profit or loss immediately.

Government grants

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 over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as a deduction from the carrying amount of the relevant asset and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Leases

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

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	Over the term of lease

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

***As lessee** (Continued)*

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessee (Continued)

A lease modification is accounted for as a separate lease if

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and sublease as two separate contracts. The sublease is classified as an operating lease if the head lease is a short-term lease to which the Group has applied the recognition exemption. Otherwise, the sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group accounts for each lease component within a lease contract as a lease separately from non-lease components of the contract. The Group allocates the consideration in the contract to each lease component on a relative stand-alone price basis.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessor – operating lease

The Group applies the derecognition and impairment requirements in IFRS 9 to the operating lease receivables.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill, or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Related parties

A related party is a person or entity that is related to the Group.

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

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of the holding company of the Group.

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

(i) the entity and the Group are members of the same group (which means that each holding company, 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 Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(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 holding company of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the consolidated financial statements provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Critical judgements made in applying accounting policies

Identification of leases

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on the requirements of IFRS 16 and all the relevant facts and circumstances. In particular, the Group assesses whether the contract involves the use of an identified asset by applying the concept of substantive substitution right. Also, the Group assesses whether the Group or the customer has the right to direct the use of the identified asset with reference to determination of which party has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In cases where such decisions are predetermined, the right to operate the asset or the incorporation of such decisions by means of designing the asset are considered.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment and intangible assets

The management determines the estimated useful lives of the Group's property, plant and equipment and intangible assets based on the experience of actual useful lives of assets of similar nature and functions or expected useful lives of assets, after taking into account of estimated technology life cycle. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation and amortisation charges included in profit or loss.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Critical accounting estimates and judgements *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Impairment of property, plant and equipment, right-of-use assets and intangible assets

The management determines whether the Group's property, plant and equipment, right-of-use assets and intangible assets are impaired when an indication of impairment exists or when annual impairment testing is required. This requires an estimation of the recoverable amount of the property, plant and equipment, right-of-use assets and intangible assets, which is equal to the higher of fair value less costs of disposal or the value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the property, plant and equipment, right-of-use assets and intangible assets, and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

Discount rates for calculating lease liabilities – as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

Loss allowance for ECL

The Group's management estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables. Details of the key assumption and inputs used in estimating ECL are set out in Note 28 to the consolidated financial statements.

Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business, where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impair the current income tax and deferred tax provision in the period in which such determination is made.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the CGU to which the goodwill is allocated. Estimating the recoverable amount requires the management to choose a suitable valuation model and make estimation of the key valuation parameter and other relevant business assumptions. Details of the estimates used to calculate the recoverable amount are given in Note 15 to the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Future changes in IFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new/revised IFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments [1]
Annual Improvements to IFRS Accounting Standards	Volume 11 [1]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity [1]
IFRS 18	Presentation and Disclosure in Financial Statements [2]
IFRS 19	Subsidiaries without Public Accountability: Disclosures [2]
Amendments to IAS 21	Translation to Hyperinflationary Presentation Currency [2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [3]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 The effective date to be determined

The management of the Group do not anticipate that the adoption of these new/revised IFRS Accounting Standards in future periods will have any material impact on the Group's consolidated financial position or performance.

3. SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision-makers. The executive directors of the Company review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Based on the products, solutions and services offered by the Group to the customers, the executive directors of the Company consider that the operating segments of the Group comprise (i) cyber infrastructure solutions (discontinued); (ii) cyber security solutions and IT software development including maintenance and support service income; and (iii) SaaS (discontinued).

The measure used for reporting segment results is "Adjusted EBITDA" (i.e. "adjusted earnings before interest, taxes, depreciation and amortisation"). To arrive at the Adjusted EBITDA, the Group's earnings before interest, taxes, depreciation and amortisation are further adjusted for items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other head office or corporate administrative costs.

No analysis of the Group's assets and liabilities by operating segments is presented as it is not regularly provided to the chief operating decision-makers for review.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. SEGMENT INFORMATION *(Continued)*

The segment information provided to the executive directors of the Company for the reportable segments for the years ended 31 December 2025 and 2024 is as follows:

	Continuing operation	**Discontinued operation**	
	Cyber security solutions and IT software development	**SaaS**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 December 2025			
Revenue from external customers and reportable segment revenue	**23,888**	**–**	**23,888**
Reportable segment results (Adjusted EBITDA)	**1,446**	**(232)**	**1,214**
Other information:			
Provision for impairment loss on trade and other receivables, net	**269**	**–**	**269**
Depreciation and amortisation	**2,057**	**15**	**2,072**

	Continuing operation	Discontinued operations			
	Cyber security solutions and IT software development	SaaS	Cyber infrastructure solutions	Subtotal	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2024 *(Re-presented)*					
Revenue from external customers and reportable segment revenue	13,252	1,938	95	2,033	15,285
Reportable segment results (Adjusted EBITDA)	(3,665)	(7,291)	(254)	(7,545)	(11,210)
Other information:					
(Reversal of) Provision for impairment loss on trade and other receivables, net	(88)	54	–	54	(34)
Impairment loss on intangible assets	–	3,859	–	3,859	3,859
Write down of inventories	2,315	–	–	–	2,315
Depreciation and amortisation	828	43	46	89	917

3. SEGMENT INFORMATION *(Continued)*

Reconciliation of reportable segment results

	2025 ***HK$'000***	2024 *HK$'000* *(Re-presented)*
Continuing operation		
Reportable segment results (Adjusted EBITDA)	**1,446**	(3,665)
Interest income	**3**	7
Depreciation and amortisation	**(2,057)**	(828)
Unallocated expenses	**(3,000)**	(3,381)
Loss before income tax	**(3,608)**	(7,867)
Income tax credit	**3**	–
Loss for the year	**(3,605)**	(7,867)
Discontinued operations		
Reportable segment results (Adjusted EBITDA)	**(232)**	(7,545)
Interest income	**–**	6
Depreciation and amortisation	**(15)**	(89)
Loss before income tax	**(247)**	(7,628)
Income tax expenses	**–**	(22)
Loss for the period/year	**(247)**	(7,650)

Information about geographical areas

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets and goodwill (the "Specified Non-current Assets"). The geographical location of revenue is based on the location of end users. The geographical location of the Specified Non-current Assets is based on the physical location of the assets (in the case of property, plant and equipment and right-of-use assets, the location of operation to which they are located; in the case of intangible assets and goodwill, the location of operations).

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

3. SEGMENT INFORMATION *(Continued)*

Information about geographical areas *(Continued)*

(a) Revenue from external customers

	2025 *HK$'000*	2024 *HK$'000* *(Re-presented)*
Continuing operation		
Malaysia	**8,976**	7,461
Singapore	**5,071**	5,791
Hong Kong	**9,778**	–
The United States	**63**	–
	23,888	13,252
Discontinued operations		
Myanmar	–	8
The PRC	–	1,943
Philippines	–	63
Singapore	–	19
	–	2,033
	23,888	15,285

(b) Specified Non-current Assets

	2025 *HK$'000*	2024 *HK$'000*
Hong Kong	**4**	11
Malaysia	**1,510**	1,195
Singapore	**5,791**	4,695
The PRC	–	7
	7,305	5,908

3. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers individually contributing 10% or more of the total revenue of the Group for the years ended 31 December 2025 and 2024 is as follows:

	2025 ***HK$'000***	2024 *HK$'000* *(Re-presented)*
Continuing operation		
– Cyber security solutions and IT software development		
Customer A	**9,320**	–
Customer B	***Note***	3,511
Customer C	***Note***	1,823

Note: The customer individually did not contribute 10% or more of the total revenue of the Group for the relevant year.

4. REVENUE

Revenue for continuing operation is analysed by category as follows:

	2025 ***HK$'000***	2024 *HK$'000* *(Re-presented)*
Revenue from contracts with customers within IFRS 15		
– At a point in time		
Cyber security solutions and IT software development	**18,986**	13,252
– Over time		
Maintenance and support service income	**4,902**	–
	23,888	13,252

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

5. OTHER INCOME, NET

Other income for continuing operation is analysed as follows:

	2025 *HK$'000*	2024 *HK$'000* *(Re-presented)*
(Loss) Gain on disposal of subsidiaries *(Note 26)*	(93)	75
Gain on disposal of property, plant and equipment	1	–
Government grants *(Note)*	57	82
Interest income	3	7
Income from subleasing of right-of-use assets which rented premises under operating leases	63	–
Others	8	–
	39	164

Note: In the opinion of the management of the Group, there are no unfulfilled conditions or contingencies relating to these grants.

6. LOSS BEFORE INCOME TAX

Loss before tax from continuing operation is stated after (crediting) charging:

	2025 *HK$'000*	2024 *HK$'000* *(Re-presented)*
Finance costs		
Finance charges on lease liabilities	3	–
Staff costs and related expenses (including directors' remuneration):		
Salaries, allowances and other benefits	5,205	5,792
Contributions to defined contribution plans	420	460
	5,625	6,252
Other items		
Auditor's remuneration	750	920
Amortisation of intangible assets	1,440	749
Depreciation of property, plant and equipment	533	79
Depreciation of right-of use assets	84	–
Gain on disposal of property, plant and equipment	1	–
Write down of inventories	–	2,315
Short-term lease payments on premises	62	91
Exchange (gain) loss, net	(2)	11

7. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the following directors of the Company were as follows:

	Directors' fees *HK$'000*	Salaries and allowances *HK$'000*	Discretionary bonus *HK$'000*	Contributions to defined contribution plans *HK$'000*	Total *HK$'000*
Year ended 31 December 2025					
Executive directors					
Mr. Kenneth Vun [1] *(Chairman)*	**83**	**–**	**–**	**–**	**83**
Mr. Ong Gim Hai *(Chief executive officer)*	**102**	**464**	**–**	**19**	**585**
Non-executive director					
Mr. Roy Ho Yew Kee [2]	**66**	**–**	**–**	**–**	**66**
Independent non-executive directors					
Ms. Lim Joo Seng	**94**	**–**	**–**	**–**	**94**
Mr. Tang Chak Lam Gilbert [2]	**61**	**–**	**–**	**–**	**61**
Mr. Yeung Chun Yue David	**94**	**–**	**–**	**–**	**94**
Mr. Lynch Stephen Joseph Chor [3]	**33**	**–**	**–**	**–**	**33**
	533	**464**	**–**	**19**	**1,016**
Year ended 31 December 2024					
Executive director					
Mr. Ong Gim Hai *(Chairman and chief executive officer)*	141	442	209	18	810
Non-executive director					
Mr. Roy Ho Yew Kee	141	–	–	–	141
Independent non-executive directors					
Ms. Lim Joo Seng	132	–	–	–	132
Mr. Tang Chak Lam Gilbert	132	–	–	–	132
Mr. Yeung Chun Yue David	132	–	–	–	132
	678	442	209	18	1,347

1 Appointed on 12 May 2025
2 Resigned on 30 June 2025
3 Appointed on 30 June 2025

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group or as a compensation for loss of office. No directors waived or agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

8. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments, one *(2024: one)* is a director whose emoluments are disclosed in Note 7 to the consolidated financial statements. The aggregate of the emoluments in respect of the other four *(2024: four)* non-director individuals are as follows:

	2025 **HK$'000**	2024 HK$'000
Salaries and allowances	**2,279**	2,469
Discretionary bonus	**13**	–
Contributions to defined contribution plans	**277**	201
	2,569	2,670

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	2025	2024
Nil to HK$1,000,000	**3**	3
HK$1,000,001 to HK$1,500,000	**1**	–
HK$1,500,001 to HK$2,000,000	**–**	1

During the years ended 31 December 2025 and 2024, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group or as a compensation for loss of office. None of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

9. INCOME TAX CREDIT

	2025 ***HK$'000***	2024 *HK$'000* *(Re-presented)*
Continuing operation		
Current tax		
Singapore corporate income tax		
Over provision in prior years	**(3)**	–
Total income tax credit for the year for continuing operation	**(3)**	–

The group entities established in the Cayman Islands and the British Virgin Islands (the "BVI") are exempted from income tax. The applicable tax rate is the Hong Kong profits tax rate of 16.5%. Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes during the year ended 31 December 2025. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the year ended 31 December 2024.

9. INCOME TAX CREDIT *(Continued)*

Singapore corporate income tax ("CIT") is calculated at 17% of the estimated assessable profits with a CIT rebate of 50% of the corporate tax payable, capped at Singapore Dollars ("SG$") 40,000, during the years ended 31 December 2025 and 2024. Singapore-incorporated companies can also enjoy a 75% tax exemption on the first SG$10,000 of normal chargeable income and a further 50% tax exemption on the next SG$190,000 of normal chargeable income during the years ended 31 December 2025 and 2024.

For the year ended 31 December 2025 and 2024, Malaysia CIT is calculated at the rate of 24% of the Group's estimated assessable profits arising from Malaysia, as the Group is a non-resident company with more than 20% of its paid-up capital being owned, directly or indirectly, by a foreign company or non-Malaysian citizen.

Reconciliation of income tax credit for continuing operation

	2025 ***HK$'000***	2024 *HK$'000* *(Re-presented)*
Loss before income tax	**(3,608)**	(7,867)
Tax calculated at domestic tax rates applicable to profit in the respective tax jurisdictions	**(600)**	(1,364)
Non-deductible expenses	**109**	938
Tax exempt revenue	**(13)**	(68)
Utilisation of previously unrecognised tax losses	**(78)**	–
Unrecognised tax losses	**581**	486
Over provision in prior years	**(3)**	–
Others	**1**	8
Income tax credit	**(3)**	–

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

10. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to equity holders of the Company are based on the following information:

	2025	2024
	HK$'000	*HK$'000*
		(Re-presented)
Loss for the period/year attributable to the owners of the Company, used in basic and diluted loss per share calculation:		
From continuing operation	**(3,605)**	(7,867)
From discontinued operations	**(227)**	(6,828)
Loss attributable to equity holders of the Company	**(3,832)**	(14,695)

	Number of shares ('000)	
	2025	2024
Weighted average number of ordinary shares for basic and diluted loss per share calculation	**887,760**	887,760

Diluted loss per share was the same as the basic loss per share for the years ended 31 December 2025 and 2024 as there are no dilutive potential ordinary shares in existence.

11. DIVIDENDS

The directors of the Company did not recommend a payment of a final dividend for the years ended 31 December 2025 and 2024.

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and office equipment *HK$'000*	**Computer equipment** *HK$'000*	**Total** *HK$'000*
Reconciliation of carrying amount – Year ended 31 December 2024			
At 1 January 2024	–	27	27
Additions	–	1,260	1,260
Depreciation	–	(86)	(86)
Exchange alignment	–	21	21
At 31 December 2024	–	1,222	1,222
Reconciliation of carrying amount – Year ended 31 December 2025			
At 1 January 2025	**–**	**1,222**	**1,222**
Additions	**–**	**573**	**573**
Disposal of subsidiaries *(Note 26)*	**–**	**(1)**	**(1)**
Depreciation	**–**	**(533)**	**(533)**
Exchange alignment	**–**	**131**	**131**
At 31 December 2025	**–**	**1,392**	**1,392**
At 31 December 2024			
Cost	94	1,976	2,070
Accumulated depreciation	(94)	(754)	(848)
Net book value	–	1,222	1,222
At 31 December 2025			
Cost	**–**	**2,074**	**2,074**
Accumulated depreciation	**–**	**(682)**	**(682)**
Net book value	**–**	**1,392**	**1,392**

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as lessor

Operating lease

The Group leases certain right-of-use assets to third parties under operating lease arrangements. These leases include termination options that allow either party to provide one month's notice. The total lease receivable for the remaining lease period amounts to approximately HK$90,000.

The Group as lessee

Right-of-use assets

	Office premises	
	2025	2024
	HK$'000	*HK$'000*
Reconciliation of carrying amount		
At the beginning of the reporting period	**6**	43
Addition	**238**	–
Depreciation	**(99)**	(36)
Disposal of subsidiaries *(Note 26)*	**(17)**	–
Exchange alignment	**(4)**	(1)
At the end of the reporting period	**124**	6
At 31 December		
Cost	**214**	70
Accumulated depreciation	**(90)**	(64)
Net carrying amount	**124**	6

Lease liabilities

	2025	2024
	HK$'000	*HK$'000*
Current portion	**125**	6

The Group leases office premises for its operation and the lease terms of 19 months. The total cash outflow for lease was approximately HK$164,000 *(2024: approximately HK$129,000)* for the year ended 31 December 2025.

At 31 December 2025, the weighted average effective interest rate for the lease liabilities of the Group was 1.8% per annum *(2024: 2.6% per annum)*.

14. INTANGIBLE ASSETS

	Internally developed technologies – indefinite useful lives HK$'000	Internally developed technologies – finite useful lives HK$'000	Copyrights – finite useful lives HK$'000	Total HK$'000
Reconciliation of carrying amount				
– Year ended 31 December 2024				
At 1 January 2024	3,913	1,135	–	5,048
Addition	–	1,700	–	1,700
Amortisation	–	(749)	–	(749)
Impairment loss	(3,859)	–	–	(3,859)
Exchange alignment	(54)	(69)	–	(123)
At 31 December 2024	–	2,017	–	2,017
Reconciliation of carrying amount				
– Year ended 31 December 2025				
At 1 January 2025	**–**	**2,017**	**–**	**2,017**
Addition	**–**	**2,236**	**–**	**2,236**
Amortisation	**–**	**(1,440)**	**–**	**(1,440)**
Exchange alignment	**–**	**141**	**–**	**141**
At 31 December 2025	**–**	**2,954**	**–**	**2,954**
At 31 December 2024				
Cost	3,913	2,972	13,260	20,145
Accumulated amortisation and impairment loss	(3,913)	(955)	(13,260)	(18,128)
Net book value	–	2,017	–	2,017
At 31 December 2025				
Cost	**–**	**5,431**	**13,260**	**18,691**
Accumulated amortisation and impairment loss	**–**	**(2,477)**	**(13,260)**	**(15,737)**
Net book value	**–**	**2,954**	**–**	**2,954**

Development costs represented costs incurred at the development phase of certain new technologies, which are capitalised and amortised (if applicable) in accordance with the accounting policies set out in Note 2 to the consolidated financial statements.

All intangible assets are available for use at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

14. INTANGIBLE ASSETS *(Continued)*

Impairment assessments

(i) Intangible assets with finite useful lives and already in use

The Group carried out impairment test for intangible assets with finite useful lives and already in use where an indicator of impairment appears by comparing their recoverable amounts to their carrying amounts at the end of each reporting period.

At 31 December 2025 and 2024, the management is of the view that the internally developed technologies with finite useful lives and already in use were not impaired as their recoverable amounts as included in the value-in-use ("VIU") calculation on the Smart Technology CGU (as defined and detailed in Note 15 to the consolidated financial statement) exceed their carrying amounts.

The intangible assets with finite useful lives included Visitor Management System ("VMS") and Senior Care Management System ("SCMS"). The remaining amortisation period of VMS and SCMS at 31 December 2025 is up to 35 months *(2024: 35 months)* and 35 months *(2024: 35 months)*, with carrying amount of approximately HK$1,101,000 *(2024: approximately HK$828,000)* and approximately HK$1,432,000 *(2024: approximately HK$1,036,000)* respectively.

VMS enables customers to eliminate slow check-in processes with online appointment booking system allowing onsite and/or pre-registration, while SCMS streamlines senior care operations through a comprehensive management platform with automation and assistive technology to enhance client management, activity scheduling, finance functions, and more.

(ii) Intangible assets with indefinite useful lives

Such intangible asset is developed specifically for the Group to manage its SaaS business and the Group has registered the copyright of such intangible asset. The intangible asset is determined to have an indefinite useful life as the directors of the Company consider that there is no foreseeable limit on the period of time over which the internally developed technologies can be used to generate economic benefits.

The Group carried out annual impairment test for intangible assets with indefinite useful lives by comparing their recoverable amounts to their carrying amounts at the end of each reporting period.

During the year ended 31 December 2024, due to unexpected significant increase in market competition, the revenue and results of SaaS business has significant deteriorated. Although the Group was under negotiations with the PRC government to explore future cooperation, the management considered that the uncertainties associated in concluding any cooperation in the coming year and the difficulties to estimate the future income stream of SaaS business. Accordingly, the recoverable amount of intangible assets with indefinite useful lives became minimal and the management had fully impaired such intangible assets of approximately HK$3,859,000 at 31 December 2024.

The internally developed technologies with indefinite useful lives have been fully disposed upon the disposal of the Big Focus Group for the year ended 31 December 2025.

15. GOODWILL

	2025	2024
	HK$'000	*HK$'000*
Reconciliation of carrying amount		
At the beginning of the reporting period	**2,663**	2,770
Exchange alignment	**172**	(107)
At the end of the reporting period	**2,835**	2,663
Cost	**5,670**	5,326
Accumulated impairment losses	**(2,835)**	(2,663)
	2,835	2,663

On 5 May 2021, the Company acquired entire equity interests in WerkDone Pte. Ltd. ("WerkDone"), at a consideration of SG$1,167,000 (equivalent to approximately HK$6,863,000). WerkDone is engaged in provision of smart technology services in workspace, community and cloud, and retail sale of security and fire-fighting equipment (the "Smart Technology CGU"), which is under the segment of cyber security solutions and IT software development. The excess of the consideration over the acquisition date fair value of the identifiable assets acquired and the liabilities assumed of approximately HK$5,515,000 was recognised as goodwill.

At 31 December 2025 and 2024, the Group assessed the recoverable amount of the Smart Technology CGU with reference to VIU calculation based on cash flow projection of WerkDone. The calculation uses cash flow projection based on financial budgets approved by directors covering a 5-year period. Cash flows beyond the 5-year period have been extrapolated using a 2% *(2024: 2%)* long-term growth rate. This growth rate is based on the inflation rate in Singapore and capped by the growth rate for the relevant industry.

At 31 December 2025 and 2024, the recoverable amount of the Smart Technology CGU based on the value-in-use calculation exceeded its carrying amount of non-current assets allocated to the Smart Technology CGU (including property, plant and equipment, intangible assets and goodwill). Hence, no impairment loss was recognised on the non-current assets allocated to the Smart Technology CGU for the years ended 31 December 2025 and 2024.

Key assumption used and approach in determining the key assumptions

	2025	2024
Average gross profit margin	**79%**	70%
Average growth rate	**8%**	8%
Long-term growth rate	**2%**	2%
Discount rate	**12%**	12%

Management determined the budgeted gross profit margin and growth rate based on past performance and the expectation of market development. The discount rate used is pre-tax and reflects specific risks relating to the Smart Technology CGU.

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Year ended 31 December 2025

15. GOODWILL *(Continued)*

Key assumption used and approach in determining the key assumptions *(Continued)*

The management considered that any reasonably possible change in the key assumptions used in the VIU calculation on Smart Technology CGU would not cause an impairment loss at 31 December 2025 and 2024.

16. SUBSIDIARIES

Details of principal subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Place of incorporation	Paid-up/registered share capital	Attributable equity interest held by the Company 2025	Attributable equity interest held by the Company 2024	Principal activities and place of operation	Legal form of corporate existence
Directly held by the Company						
Nexion Global Investments Limited	The BVI	United States Dollars ("US$") 10,000	**100%**	100%	Investment holding, Hong Kong	Private limited liability company
WerkDone	Singapore	SG$1,100,000	**100%**	100%	Provision for cyber security solutions services and IT software development, Singapore	Private limited liability company
Indirectly held by the Company						
Nexion (Hong Kong) Limited	Hong Kong	HK$100	**100%**	100%	Provision for cyber security solutions services and IT software development, Hong Kong	Private limited liability company
Nexion Technologies (M) Sdn. Bhd.	Malaysia	Malaysian Ringgit ("RM") 100	**100%**	100%	Provision for cyber security solutions services and IT software development, Malaysia	Private limited liability company
耐信(上海)科技服务有限公司 ("耐信") *(Note (i))*	The PRC	*(Note (ii))*	**– *(Note 19)***	100%	Provision of SaaS, The PRC	Private limited liability company
湖南渌江 *(Note (i))*	The PRC	Renminbi ("RMB") 7,000,000 *(2024: RMB10,000,000)*	**– *(Note 19)***	70%	Provision of SaaS, The PRC	Private limited liability company

Notes:

(i) Registered under the laws of the PRC as domestic enterprise.

(ii) The registered share capital is RMB30,000,000 *(2024: RMB30,000,000)* which was not yet paid up at the end of the reporting period.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the management, result in particulars of excessive length.

17. INVENTORIES

	2025 HK$'000	2024 HK$'000
Computer hardware for reselling	**26**	2,514
Less: Write down	–	(2,315)
	26	199

18. TRADE AND OTHER RECEIVABLES

	Notes	2025 HK$'000	2024 HK$'000
Trade receivables from third parties		**9,304**	5,383
Less: Loss allowance	*28*	**(2,009)**	(1,672)
	18(a)	**7,295**	3,711
Other receivables			
Prepayments		**1,427**	3,124
Deposits and other receivables		**532**	2,336
Less: Loss allowance	*28*	–	(163)
		1,959	5,297
		9,254	9,008

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in Note 28 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 December 2025

18. TRADE AND OTHER RECEIVABLES *(Continued)*

(a) The Group normally grants credit terms up to 90 days, from the date of issuance of invoices, to its customers and specific progress billing arrangement with the last instalment paid up to 6 months after delivery may be agreed with individual customers as approved by the management on a case by case basis. The ageing analysis of trade receivables based on invoice date (net of loss allowance) at the end of the reporting period is as follows:

	2025 *HK$'000*	2024 *HK$'000*
Within 30 days	4,924	1,306
31 to 60 days	1,337	63
61 to 90 days	53	265
91 to 180 days	53	803
181 to 365 days	928	1,274
	7,295	3,711

At the end of the reporting period, the ageing analysis of the trade receivables (net of loss allowance) by due date is as follows:

	2025 *HK$'000*	2024 *HK$'000*
Not yet due	2,182	1,259
Past due:		
Within 30 days	4,067	327
31 to 60 days	55	71
61 to 90 days	32	220
91 to 180 days	34	1,088
181 to 365 days	925	746
	5,113	2,452
	7,295	3,711

19. DISCONTINUED OPERATION

On 22 December 2025, the Group entered into a sale and purchase agreement with an independent third party (the "Purchaser of the Rich Joy Group and the Big Focus Group"), pursuant to which the Group agreed to sell, and the Purchaser of the Rich Joy Group and the Big Focus Group agreed to purchase the entire issued share capital of (i) Rich Joy International Holdings Limited and its subsidiaries, Rich Mega (Hong Kong) Limited and 耐信 (collectively, the "Rich Joy Group"), and (ii) Big Focus Investment Limited and its subsidiaries, Big Accord Limited and 湖南渌江 (collectively, the "Big Focus Group"), at a cash consideration of HK$500,000 (the "Disposal of the Rich Joy Group and the Big Focus Group"). The Rich Joy Group and the Big Focus Group would cease to be subsidiaries of the Group upon the completion of the Disposal of the Rich Joy Group and the Big Focus Group. The Disposal of the Rich Joy Group and the Big Focus Group was completed on 29 December 2025.

19. DISCONTINUED OPERATION *(Continued)*

Accordingly, the segment of SaaS was classified as a discontinued operation (the "Discontinued Operation of SaaS") during the years ended 31 December 2025 and 2024. The results of the Discontinued Operation of SaaS have been presented separately in the consolidated statement of profit or loss and other comprehensive incomes.

The results of the Discontinued Operation of SaaS for the period from 1 January 2025 to 29 December 2025 and year ended 31 December 2024 are analysed as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Revenue	–	1,938
Other income	–*	6
Cost of services	–	(3,341)
Depreciation and amortisation	**(15)**	(43)
Staff costs and related expenses	**(219)**	(586)
Impairment loss on intangible assets	–	(3,859)
Provision for impairment loss on trade and other receivables, net	–	(54)
General and administrative expenses	**(12)**	(1,388)
Finance cost	**(1)**	(1)
Loss before income tax	**(247)**	(7,328)
Income tax expenses	–	(22)
Loss for the period/year	**(247)**	(7,350)

The cash flow information of the Discontinued Operation of SaaS is as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Net cash from (used in) operating activities	**88**	(2,281)
Net cash used in investing activities	**(68)**	(11)
Net cash used in financing activities	**(16)**	(39)

* *amount less than HK$1,000*

On 21 December 2023, the Group entered into a sale and purchase agreement with an independent third party (the "Purchaser of the Netsis Group"), pursuant to which the Group agreed to sell, and the Purchaser of the Netsis Group agreed to purchase the entire issued share capital of Netsis Technology (BVI) Limited and its subsidiary, Netsis Technology (S) Pte. Ltd. (collectively, the "Netsis Group"), at a cash consideration of US$250,000 (approximately HK$1,950,000) (the "Disposal of the Netsis Group"). The Netsis Group would cease to be subsidiaries of the Group upon the completion of the Disposal of the Netsis Group. The Disposal of the Netsis Group was completed on 29 February 2024.

Notes to the Consolidated Financial Statements

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19. DISCONTINUED OPERATION *(Continued)*

Accordingly, the segment of cyber infrastructure solutions was classified as a discontinued operation (the "Discontinued Operation of cyber infrastructure solutions") during the year ended 31 December 2024. The results of the Discontinued Operation of cyber infrastructure solutions have been presented separately in the consolidated statement of profit or loss and other comprehensive incomes.

The results of the Discontinued Operation of cyber infrastructure solutions for the period from 1 January 2024 to 29 February 2024 are analysed as follows:

	2024 *HK$'000*
Revenue	95
Other income	(3)
Cost of inventories sold	(22)
Staff costs and related expenses	(89)
Sales and marketing expenses	(31)
Depreciation and amortisation	(46)
General and administrative expenses	(197)
Finance costs	(7)
Loss before income tax and loss for the period	(300)

The cash flow information of the Discontinued Operation of cyber infrastructure solutions is as follows:

	2024 *HK$'000*
Net cash from operating activities	773
Net cash used in financing activities	(44)

20. TRADE AND OTHER PAYABLES

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Trade payables to third parties	*20(a)*	**6,637**	3,529
Other payables			
Accruals and other payables		**1,354**	3,562
Contract liabilities	*20(b)*	**750**	1,270
Payable on acquisition of intangible assets	*20(c)*	**1,230**	1,230
		3,334	6,062
		9,971	9,591

20. TRADE AND OTHER PAYABLES *(Continued)*

(a) The trade payables are non-interest bearing and the Group is normally granted with a credit term up to 90 days. At the end of the reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**4,187**	1,515
31 to 60 days	**1,844**	25
61 to 90 days	**587**	726
Over 90 days	**19**	1,263
	6,637	3,529

(b) The movements (excluding those arising from increases and decreases both occurred within the same year) of receipt in advance from contracts with customer within IFRS 15 during each of the reporting period are as follows:

	2025	2024
	HK$'000	*HK$'000*
At the beginning of the reporting period	**1,270**	110
Recognised as revenue	**(1,270)**	(110)
Receipt of advances or recognition of receivables	**750**	1,270
At the end of the reporting period	**750**	1,270

Included in the amount of transaction price allocated to the remaining performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2025 is approximately HK$750,000 *(2024: approximately HK$1,270,000)*, which is expected to be recognised as revenue within 1 year.

(c) During the year ended 31 December 2020, the Group had acquired several software copyrights with a total consideration of HK$13,260,000 which recognised as "Intangible Assets". Up to 31 December 2025, consideration of HK$1,230,000 *(2024: HK$1,230,000)* is remained unsettled and repayable on demand *(2024: repayable on demand)*.

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21. DEFERRED TAX

Unrecognised deferred tax assets

At the end of the reporting period, the Group had unrecognised deferred tax assets arising from unused tax losses of approximately HK$5,778,000 *(2024: approximately HK$11,541,000)* available for set-off against future taxable profit.

The Group has not recognised deferred tax assets in respect of the tax losses, as set out below, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses will expire as follows:

	2025 ***HK$'000***	2024 *HK$'000*
Year 2025	–	1,856
Year 2026	–	1,958
Year 2027	–	1,295
Year 2028	–	382
Year 2029	**1,639**	5,055
Year 2030	**1,803**	–
Year 2033	–	133
Year 2034	**675**	862
No expiry	**1,661**	–
	5,778	11,541

22. SHARE CAPITAL

	Number of shares	***HK$'000***
Ordinary share of HK$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and **31 December 2025**	**6,000,000**	**60,000**
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and **31 December 2025**	**887,760,000**	**8,878**

23. RESERVES

Share premium

It represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

Capital reserve

For the consolidated statement of financial position of the Group, it represents the aggregate amount of the issued and paid-up share capital of the entities now comprising the Group before completion of the reorganisation, which carried out in preparation for the listing of the Company's shares, less consideration paid to acquire the relevant interests (if any) upon completion of the reorganisation.

For the statement of financial position of the Company, it represents the combined net assets value of Nexion Global Investments Limited and its subsidiaries upon the execution of share swap, which was acquired by the Company by way of allotment of the Company's share through share swap, less the nominal value of the Company's share issued.

Exchange reserve

Exchange reserve has been set up and is dealt with in accordance with the accounting policies adopted for foreign currency translation as set out in Note 2 to the consolidated financial statements.

24. CASH USED IN OPERATIONS

	2025 ***HK$'000***	2024 *HK$'000* *(Re-presented)*
Loss before income tax		
– Continuing operation	**(3,608)**	(7,867)
– Discontinued operations	**(247)**	(7,628)
Amortisation of intangible assets	**1,440**	749
Depreciation of property, plant and equipment	**533**	86
Depreciation of right-of-use assets	**99**	36
Gain on disposal of property, plant and equipment	**(1)**	–
Loss (Gain) on disposal of subsidiaries	**93**	(75)
Interest income	**(3)**	(13)
Finance costs	**3**	1
Impairment loss on intangible assets	**–**	3,859
Provision for (Reversal of) impairment loss on trade and other receivables, net	**269**	(34)
Write down of inventories	**–**	2,315
Changes in working capital:		
Inventories	**173**	7
Trade and other receivables	**(3,832)**	750
Trade and other payables	**3,212**	2,755
Cash used in operations	**(1,869)**	(5,059)

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Year ended 31 December 2025

25. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2025, the Group recognised right-of-use assets of approximately HK$238,000 and lease liabilities of approximately HK$238,000.

(b) Reconciliation of liabilities arising from financing activities

Details of changes in the Group's liabilities arising from financing activities are as follows:

			Non-cash changes				
	At 1 January 2025	Cash flows	Addition	Exchange alignment	Interest on lease liabilities	Disposal of subsidiaries	At 31 December 2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Lease liabilities	6	(102)	238	(3)	3	(17)	125

			Non-cash changes		
	At 1 January 2024	Cash flows	Interest on lease liabilities	Reclassification to liabilities associated with assets classified as held for sale	At 31 December 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Lease liabilities	43	(39)	1	1	6

26. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2025, upon the completion of the Disposal of the Rich Joy Group and the Big Focus Group on 29 December 2025 as detailed in Note 19 to the consolidated financial statements, the Rich Joy Group and the Big Focus Group ceased to be subsidiaries of the Group and the financial results and financial position of the Rich Joy Group and the Big Focus Group will no longer be consolidated into the consolidated financial statements of the Group. Details of the Disposal of the Rich Joy Group and the Big Focus Group are as follows:

	The Rich Joy Group and the Big Focus Group 2025 *HK$'000*
Net assets disposed of	
Property, plant and equipment	**1**
Right-of-use assets	**17**
Trade and other receivables	**3,249**
Bank balances and cash	**4**
Income tax recoverable	**32**
Trade and other payables	**(2,832)**
Lease liabilities	**(17)**
	454
Release of exchange reserve upon disposal of subsidiaries	**139**
Loss on disposal of subsidiaries	**(93)**
Consideration	**500**

Analysis of net inflow of cash and cash equivalents in respect of the Disposal of the Rich Joy Group and the Big Focus Group during the year ended 31 December 2025 is as follows:

	2025 *HK$'000*
Cash consideration	**500**
Cash and cash equivalents disposed of	**(4)**
Net inflow of cash and cash equivalents	**496**

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26. DISPOSAL OF SUBSIDIARIES *(Continued)*

During the year ended 31 December 2024, upon the completion of the Disposal of the Netsis Group on 29 February 2024 as detailed in Note 19 to the consolidated financial statements, the Netsis Group ceased to be subsidiaries of the Group and the financial results and financial position of the Netsis Group will no longer be consolidated into the consolidated financial statements of the Group. Details of the Disposal of the Netsis Group are as follows:

	The Netsis Group 2024 *HK$'000*
Net assets disposed of	
Right-of-use assets	506
Inventory	1,149
Trade and other receivables	631
Bank balances and cash	1,092
Other payables	(214)
Receipt in advance	(783)
Lease liabilities	(506)
	1,875
Gain on disposal of subsidiaries	75
Consideration	1,950

Analysis of net inflow of cash and cash equivalents in respect of the Disposal of the Netsis Group during the year ended 31 December 2024 is as follows:

	2024 *HK$'000*
Cash consideration	1,950
Cash and cash equivalents disposed of	(1,092)
Net inflow of cash and cash equivalents	858

27. RELATED PARTIES TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

(a) Transactions with related parties

During the year ended 31 December 2025, service income of approximately HK$458,000 *(2024: Nil)* was received from immediate holding company, XOX (Hong Kong).

(b) Key management personnel (including directors remuneration)

	2025 ***HK$'000***	2024 *HK$'000*
Salaries, allowances and other benefits	**2,629**	2,878
Contributions to defined contribution retirement schemes	**193**	191
	2,822	3,069

Further details of the directors' remuneration are set out in Note 7 to the consolidated financial statements.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise lease liabilities and bank balances and cash. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables/payables which arise directly from its business activities.

The main risks arising from the Group's financial instruments are credit risk, foreign currency risk and liquidity risk. The Group does not have any written risk management policies and guidelines. However, the management generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum level.

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group, resulting in a loss to the Group. The Group's credit risk is mainly attributable to trade and other receivables and bank balances and cash. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to its financial assets.

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Trade receivables

The Group trades with recognised and creditworthy third parties. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits for the customer. The receivable balances are monitored on an ongoing basis by senior management and the Group's exposure to bad debts is not significant.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

At 31 December 2025, the Group had a concentration of credit risk as approximately 48% *(2024: approximately 17%)* of the total trade receivables was due from the Group's largest trade debtor and approximately 89% *(2024: approximately 59%)* of the total trade receivables was due from the Group's five largest trade debtors.

The trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and specifically estimated the ECL for each debtor by reference to its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There was no change in the estimation techniques or significant assumptions made during the year.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix at 31 December 2025 and 2024 is summarised below.

At 31 December 2025

	Expected loss rate %	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*	Net carrying amount *HK$'000*	Credit-impaired
Not past due	–	2,182	–	2,182	No
1 – 365 days past due	–	5,113	–	5,113	No
Over 1 year past due	100%	2,009	(2,009)	–	No
		9,304	(2,009)	7,295	

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

***Trade receivables** (Continued)*

At 31 December 2024

	Expected loss rate %	Gross carrying amount *HK$'000*	Loss allowance *HK$'000*	Net carrying amount *HK$'000*	Credit-impaired
Not past due	–	1,259	–	1,259	No
1 – 365 days past due	–	2,452	–	2,452	No
Over 1 year past due	100%	1,672	(1,672)	–	No
		5,383	(1,672)	3,711	

At 31 December 2025, the Group recognised loss allowance of approximately HK$2,009,000 *(2024: approximately HK$1,672,000)* on the trade receivables. The movement in the loss allowance for trade receivables is summarised below.

	2025 ***HK$'000***	2024 *HK$'000*
At 1 January	**1,672**	1,771
Increase (Decrease) in allowance	**269**	(88)
Exchange alignment	**68**	(11)
At 31 December	**2,009**	1,672

The Group does not hold any collateral over the trade receivables at 31 December 2025 and 2024.

Other receivables

Other receivables include deposits and other receivables. Impairment on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Group has taken into account the financial position of the counterparties by reference to, among others, its management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the counterparties and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of the financial asset, as well as the loss upon default. There was no change in the estimation techniques or significant assumptions made during the year.

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk *(Continued)*

Other receivables *(Continued)*

At 31 December 2024, the Group recognised the loss allowance of approximately HK$163,000 on other receivables. During the year ended 31 December 2025, the loss allowance has been fully derecognised upon the completion of the Disposal of the Rich Joy Group and the Big Focus Group. The movement in the loss allowance for other receivables is summarised below.

	2025 *HK$'000*	2024 *HK$'000*
At 1 January	**163**	12,527
Written off	–	(12,418)
Disposal of subsidiaries	**(163)**	–
Increase in allowance	–	54
At 31 December	–	163

Bank balances and cash

The management considers the credit risk in respect of bank balances and cash is minimal because the counter-parties are authorised financial institutions with high credit ratings.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Such exposures arise from the business operations in Hong Kong, Malaysia and Singapore denominated in HK$, RM and SG$, respectively. At 31 December 2025, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the respective functional currencies, i.e. HK$, RM and SG$, *(2024: HK$, RM and SG$)*, used by the respective group entities.

The Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of the reporting period, based on the earliest date on which the Group is required to settle, are repayment on demand or less than 1 year.

Fair value

The carrying amount of the financial assets and liability carried at amortised cost in the consolidated financial statements approximate their fair values due to the relative short-term maturity of these financial instruments.

29. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividends to equity owners, issue of new shares or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movements in its reserves are set out below:

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Non-current asset			
Investments in subsidiaries	*16*	**6,048**	9,546
Current assets			
Other receivables		**12**	12
Loans to a subsidiary	*30(b)*	**–**	7,887
Amount due from subsidiaries		**863**	–
		875	7,899
Current liabilities			
Loans from a subsidiary	*30(c)*	**241**	–
Other payable		**1,244**	1,244
		1,485	1,244
Net current (liabilities) assets		**(610)**	6,655
NET ASSETS		**5,438**	16,201
Capital and reserves			
Share capital	*22*	**8,878**	8,878
Reserves	*30(a)*	**(3,440)**	7,323
TOTAL EQUITY		**5,438**	16,201

This statement of financial position was approved and authorised for issue by the Board of Directors on 27 March 2026 and signed on its behalf by

Kenneth Vun
Director

Ong Gim Hai
Director

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30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

(a) Movements of the reserves

	Share premium HK$'000 (Note 23)	Capital reserve HK$'000 (Note 23)	Accumulated losses HK$'000	Total HK$'000
At 1 January 2024	90,001	30,592	(97,649)	22,944
Loss for the year and total comprehensive loss for the year	–	–	(15,621)	(15,621)
At 31 December 2024	90,001	30,592	(113,270)	7,323
At 1 January 2025	**90,001**	**30,592**	**(113,270)**	**7,323**
Loss for the year and total comprehensive loss for the year	**–**	**–**	**(10,763)**	**(10,763)**
At 31 December 2025	**90,001**	**30,592**	**(124,033)**	**(3,440)**

(b) Loans to a subsidiary

At 31 December 2024, loans to a subsidiary were unsecured, interest-free repayable on demand. During the year ended 31 December 2025, the balance was fully settled through current accounts between the subsidiaries.

(c) Loans from a subsidiary

At 31 December 2025, loans from a subsidiary were unsecured, interest-free repayable on demand.

Financial Summary

The summary of the published results and of the assets and liabilities of the Group for the last five years is as follows:

RESULTS

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(re-presented)	*(restated)*	*(re-presented) (restated)*	*(restated)*
Continuing operations					
Revenue	**23,888**	13,252	12,688	24,601	54,249
Other income, net	**39**	164	429	3,775	1,841
Cost of inventories sold	**(6,955)**	(6,736)	(5,074)	(13,712)	(36,208)
Cost of services	**(8,781)**	(1,375)	(541)	(1,661)	(4,976)
Staff costs and related expenses	**(5,625)**	(6,252)	(5,696)	(8,954)	(13,845)
Sales and marketing expenses	**(27)**	(31)	(132)	(218)	(3,416)
Depreciation and amortisation	**(2,057)**	(828)	(2,597)	(2,909)	(6,614)
(Provision for) Reversal of impairment loss on trade and other receivables, net	**(269)**	88	(748)	(983)	(3,432)
Impairment loss on goodwill	**–**	–	(2,770)	–	–
Write down on inventories	**–**	(2,315)	(3,229)	–	–
General and administrative expenses	**(3,818)**	(3,834)	(3,181)	(4,844)	(11,310)
Finance costs	**(3)**	–	(7)	(23)	(16)
Loss before tax from continuing operations	**(3,608)**	(7,867)	(10,858)	(4,928)	(23,727)
Income tax credit (expenses)	**3**	–	23	(133)	(296)
Loss for the year from continuing operations	**(3,605)**	(7,867)	(10,835)	(5,061)	(24,023)
Discontinued operation					
Loss for the period/year from discontinued operation	**(247)**	(7,650)	(2,580)	(3,986)	–
Loss for the year	**(3,852)**	(15,517)	(13,415)	(9,047)	(24,023)

Note: In 2024, the comparative figures have been re-presented the results of the discontinued operation of SaaS segment. The comparative information for the years ended 31 December 2021 to 2023 have not been re-presented.

In 2022, the comparative figures have been re-presented the results of the discontinued operation of cyber infrastructure solutions segment. The comparative information for the year ended 31 December 2021 has not been re-presented.

ASSETS AND LIABILITIES

	As at 31 December				
	2025	2024	2023	2022	2021
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(restated)	*(restated)*	*(restated)*
Total assets	**23,933**	25,897	40,814	55,884	106,033
Total liabilities	**(10,096)**	(9,597)	(8,428)	(13,394)	(55,918)
Total equity	**13,837**	16,300	32,386	42,490	50,115

Financial Summary

FINANCIAL HIGHLIGHTS

		For the year ended 31 December				
		2025	2024	2023	2022	2021
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financial performance			*(re-presented)*	*(restated)*	*(re-presented) (restated)*	*(restated)*
Revenue		**23,888**	13,252	12,688	24,601	54,249
Net loss	*Note 1*	**(3,852)**	(15,517)	(13,415)	(9,047)	(24,023)
Net loss margin	*Note 1, 2*	**–16.1%**	–117.1%	–105.7%	–36.8%	–44.3%
Financial position						
Current ratio	*Note 3*	**1.6**	2.1	3.9	3.1	1.4
Quick ratio	*Note 4*	**1.6**	2.1	3.6	3.1	1.4
Gearing ratio	*Note 5*	**N/A**	N/A	N/A	N/A	N/A
Net debt-to-equity ratio	*Note 6*	**Net Cash**	Net Cash	Net Cash	Net cash	Net cash
Return on equity	*Note 7*	**–27.8%**	–95.2%	–41.4%	–21.3%	–47.9%
Return on assets	*Note 8*	**–16.1%**	–59.9%	–32.9%	–16.2%	–22.7%

Notes

1. In 2024, certain comparative figures have been re-presented the results of the discontinued operation of SaaS segment. The comparative information for the years ended 31 December 2021 to 2023 have not been re-presented.

   In 2022, certain comparative figures have been re-presented the results of the discontinued operation of cyber infrastructure solutions segment. The comparative information for the year ended 31 December 2021 has not been re-presented.

2. Net loss margin is derived by dividing revenue by net profit as at the end of the relevant financial year.

3. Current ratio is derived by dividing the current assets by current liabilities as at the end of the relevant financial year.

4. Quick ratio is derived by dividing the current assets less inventories by current liabilities as at the end of the relevant financial year.

5. Gearing ratio is the total amount of bank borrowings as a percentage of total equity as at the end of the relevant financial year.

6. Net debt-to-equity ratio is the total amount of bank borrowings less bank balances and cash as a percentage of total equity as at the end of the relevant financial year.

7. Return on equity is the net loss for the year as a percentage of total equity as at the end of the relevant financial year.

8. Return on assets is derived by dividing net loss for the year by total assets as at the end of the relevant financial year.