NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 8420

Interim Report
2026

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.

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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.

RESULTS

The board of directors (the "Board") of the Company hereby announces the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 (the "Period"), together with the comparative unaudited figures for the six months ended 30 June 2025 (the "Preceding Period"), as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		(Unaudited) For the six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
			(Re-presented)
Continuing operation			
Revenue	*4*	**13,409**	7,953
Other income	*5*	**144**	5
Cost of inventories sold		**(1,531)**	(4,002)
Cost of services		**(5,721)**	(69)
Staff costs and related expenses		**(3,148)**	(2,872)
Sales and marketing expenses		**(5)**	(18)
Depreciation and amortisation		**(1,184)**	(762)
Impairment loss on trade receivables, net	*15*	**(229)**	–
General and administrative expenses		**(1,489)**	(1,440)
Finance costs	*6*	**(1)**	–
Profit (Loss) before income tax from continuing operation	*7*	**245**	(1,205)
Income tax expenses	*8*	**(17)**	–

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2026

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Profit (Loss) for the period from continuing operation	**228**	(1,205)
Discontinued operation		
Loss for the period from discontinued operation	**–**	(133)
Profit (Loss) for the period	**228**	(1,338)
Other comprehensive (loss) income for the period		
Items that may be reclassified subsequently to profit or loss		
Exchange difference arising on translation of foreign operations	**(36)**	1,125
Total comprehensive income (loss) for the period	**192**	(213)
Profit (Loss) for the period attributable to:		
Equity holders of the Company	**228**	(1,318)
Non-controlling interests	**–**	(20)
	228	(1,338)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2026

	Notes	(Unaudited) For the six months ended 30 June **2026** ***HK$'000***	2025 *HK$'000* *(Re-presented)*
Total comprehensive income (loss) attributable to:			
Equity holders of the Company		**192**	(209)
Non-controlling interests		**–**	(4)
		192	(213)
<u>From continuing and discontinued operations</u>			
Earnings (Loss) per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)	*9*	**0.03**	(0.15)
<u>From continuing operation</u>			
Earnings (Loss) per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)	*9*	**0.03**	(0.14)
<u>From discontinued operation</u>			
Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)	*9*	**–**	(0.01)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**(Unaudited) 30 June 2026 *HK$'000***	(Audited) 31 December 2025 *HK$'000*
Non-current assets			
Property, plant and equipment	*11*	**1,148**	1,392
Right-of-use assets	*12*	**56**	124
Intangible assets	*13*	**3,113**	2,954
Goodwill	*14*	**2,840**	2,835
		7,157	7,305
Current assets			
Inventories		**26**	26
Trade and other receivables	*15*	**3,646**	9,254
Income tax recoverable		**69**	77
Bank balances and cash		**8,104**	7,271
		11,845	16,628
Current liabilities			
Trade and other payables	*16*	**4,916**	9,971
Lease liabilities	*12*	**57**	125
		4,973	10,096
Net current assets		**6,872**	6,532
NET ASSETS		**14,029**	13,837
Capital and reserves			
Share capital	*17*	**8,878**	8,878
Reserves		**5,151**	4,959
TOTAL EQUITY		**14,029**	13,837

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company							
	Share capital *HK$'000* *(Note 17)*	Share premium *HK$'000*	Capital reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 January 2025 (Audited)	8,878	82,728	5,072	(1,365)	(78,540)	16,773	(473)	16,300
Loss for the period	–	–	–	–	(1,318)	(1,318)	(20)	(1,338)
Other comprehensive income:								
Item that may be subsequently reclassified to profit or loss								
Exchange difference arising on translation of foreign operations	–	–	–	1,109	–	1,109	16	1,125
Total comprehensive loss for the period	–	–	–	1,109	(1,318)	(209)	(4)	(213)
At 30 June 2025 (Unaudited)	8,878	82,728	5,072	(344)	(80,247)	16,087	–	16,087
At 1 January 2026 (Audited)	**8,878**	**82,728**	**5,072**	**(80)**	**(82,761)**	**13,837**	**–**	**13,837**
Profit for the period	**–**	**–**	**–**	**–**	**228**	**228**	**–**	**228**
Other comprehensive loss:								
Item that may be subsequently reclassified to profit or loss								
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**(36)**	**–**	**(36)**	**–**	**(36)**
Total comprehensive income for the period	**–**	**–**	**–**	**(36)**	**228**	**192**	**–**	**192**
At 30 June 2026 (Unaudited)	**8,878**	**82,728**	**5,072**	**(116)**	**(82,533)**	**14,029**	**–**	**14,029**

Note: On 18 March 2025, Hunan Lujiang Technology Co., Ltd.* (湖南淥江科技有限公司, "Hunan Lujiang") 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 Hunan Lujiang 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 Hunan Lujiang.

* *English for identification purpose only.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
OPERATING ACTIVITIES		
Cash generated from (used in) operations	**1,963**	(3,587)
Income tax paid	**–**	–
Net cash generated from (used in) operating activities	**1,963**	(3,587)
INVESTING ACTIVITIES		
Interest received	**3**	1
Additions of intangible assets	**(1,119)**	(1,126)
Net cash used in investing activities	**(1,116)**	(1,125)
FINANCING ACTIVITIES		
Repayment of lease liabilities	**(66)**	(10)
Interest paid	**(1)**	–
Net cash used in financing activities	**(67)**	(10)
Net increase (decrease) in cash and cash equivalents	**780**	(4,722)
Cash and cash equivalents at the beginning of the reporting period	**7,271**	10,613
Effect of foreign exchange rate changes, net	**53**	602
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	**8,104**	6,493

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 22 June 2016, and its shares were listed on GEM of 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 Group is principally engaged in the provision of 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. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 (the "Interim Consolidated Financial Statements") are prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The preparation of the Interim Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, incomes and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Consolidated Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2025, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards and Interpretations issued by the IASB. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the "2025 Consolidated Financial Statements").

The Interim Consolidated Financial Statements have been prepared on the historical costs basis.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(Continued)

The accounting policies and methods of computation applied in the preparation of the Interim Consolidated Financial Statements are consistent with those applied in the preparation of the 2025 Consolidated Financial Statements.

Adoption of new/revised IFRSs

The adoption of the new/revised IFRSs that are relevant to the Group and effective from the six months ended 30 June 2026 had no significant effects on the results and financial position of the Group for the six months ended 30 June 2026 and 2025.

At the date of authorisation of the Interim Consolidated Financial Statements, the Group has not early adopted the new/revised IFRSs that have been issued but are not yet effective.

3. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision-makers. The executive Directors 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 consider that the operating segments of the Group comprise (i) cyber security solutions and IT software development including maintenance and support service income; and (ii) SaaS (discontinued).

The measure used for reporting segment results is adjusted earnings before interest, taxes, depreciation and amortisation ("Adjusted EBITDA"). 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.

3. SEGMENT INFORMATION (Continued)

The segment information provided to the executive Directors for the reportable segments for the six months ended 30 June 2026 and 2025 is as follows:

	Continuing operation	Discontinued operation	
	Cyber security solutions and IT software development	SaaS	Total
	HK$'000	*HK$'000*	*HK$'000*
Six months ended 30 June 2026 (Unaudited)			
Revenue from external customers and reportable segment revenue	**13,409**	**–**	**13,409**
Reportable segment results (Adjusted EBITDA)	**2,470**	**–**	**2,470**
Other information:			
Depreciation and amortisation	**1,184**	**–**	**1,184**
Impairment loss on trade receivables, net	**229**	**–**	**229**
Six months ended 30 June 2025 (Unaudited) *(Re-presented)*			
Revenue from external customers and reportable segment revenue	7,953	–	7,953
Reportable segment results (Adjusted EBITDA)	634	(123)	511
Other information:			
Depreciation and amortisation	759	10	769

3. SEGMENT INFORMATION (Continued)

Reconciliation of reportable segment results

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operation		
Reportable segment results (Adjusted EBITDA)	**2,470**	634
Interest income	**3**	1
Depreciation and amortisation	**(1,184)**	(762)
Unallocated expenses	**(1,044)**	(1,078)
Profit (Loss) before income tax	**245**	(1,205)
Income tax expenses	**(17)**	–
Profit (Loss) for the period	**228**	(1,205)
Discontinued operation		
Reportable segment results (Adjusted EBITDA)	**–**	(123)
Depreciation and amortisation	**–**	(10)
Loss before income tax	**–**	(133)
Income tax expenses	**–**	–
Loss for the period	**–**	(133)

3. SEGMENT INFORMATION (Continued)

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).

(a) Revenue from external customers

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operation		
Hong Kong	**5,823**	–
Malaysia	**2,013**	4,776
Singapore	**5,573**	3,177
	13,409	7,953

3. SEGMENT INFORMATION (Continued)

(b) Specified Non-current Assets

	(Unaudited) 30 June 2026 HK$'000	(Audited) 31 December 2025 HK$'000
Hong Kong	**2**	4
Malaysia	**1,203**	1,510
Singapore	**5,952**	5,791
	7,157	7,305

4. REVENUE

Revenue for continuing operation is analysed by category as follows:

	(Unaudited) For the six months ended 30 June 2026 HK$'000	2025 HK$'000 (Re-presented)
Revenue from contracts with customers within IFRS 15		
– at a point in time		
Cyber security solutions and IT software development	**10,123**	7,953
– over time		
Maintenance and support service	**3,286**	–
	13,409	7,953

5. OTHER INCOME

Other income for continuing operation is analysed as follows:

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Interest income	**3**	1
Income from subleasing of right-of-use assets which rented premises under operating leases	**51**	–
Gain on disposal of property, plant and equipment	**–**	1
Government grants	**26**	1
Exchange gain, net	**64**	2
	144	5

6. FINANCE COSTS

Finance costs for continuing operation is analysed as follows:

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Finance charges on lease liabilities	**1**	–

7. PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATION

This is stated after charging:

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Amortisation of intangible assets	**965**	620
Depreciation of property, plant and equipment	**150**	143
Depreciation of right-of-use assets	**69**	–

8. INCOME TAX EXPENSES

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operation		
Current tax		
Malaysia corporate income tax ("Malaysia CIT")		
Under provision in prior year	**17**	–
	17	–

8. INCOME TAX EXPENSES (Continued)

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 purpose during the six months ended 30 June 2026. 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 six months ended 30 June 2026 and 2025.

Malaysia CIT is calculated at 24% of the estimated assessable profits for the six months ended 30 June 2026 and 2025. Malaysia incorporated entities with paid-up capital of Malaysian Ringgit ("RM") 2.5 million or less enjoy tax rate of 15% on the first RM150,000, 17% from RM150,001 to RM600,000 and remaining balance of the estimated assessable profits at tax rate of 24% for the six months ended 30 June 2026 and 2025.

Singapore corporate income tax is calculated at 17% of the estimated assessable profits for the six months ended 30 June 2026 and 2025. Singapore incorporated companies can also enjoy 75% tax exemption on the first Singapore Dollars ("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 six months ended 30 June 2026 and 2025. In addition, since 2025, active companies that have employed at least one local employee in 2024 is eligible to receive a minimum benefit of SG$2,000 in the form of a corporate income tax rebate cash grant (the "CIT Rebate Grant"). The total maximum benefits of CIT rebate (if any) and the CIT Rebate Cash Grant that a company may receive is SG$40,000.

9. EARNINGS (LOSS) PER SHARE

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

	(Unaudited) For the six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
		(Re-presented)
Profit (Loss) for the period attributable to the owners of the Company, used in basic and diluted loss per share calculation:		
From continuing operation	**228**	(1,205)
From discontinued operation	**–**	(113)
Profit (Loss) for the period attributable to the owners of the Company	**228**	(1,318)

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

Diluted profit (loss) per share was the same as the basic profit (loss) per share for the six months ended 30 June 2026 and 2025 as there were no dilutive potential ordinary shares in existence.

10. DIVIDENDS

The Directors did not recommend a payment of an interim dividend for the six months ended 30 June 2026 *(Six months ended 30 June 2025: Nil)*.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026 and 2025, the Group did not incur any additions to property, plant and equipment.

During the six months ended 30 June 2026, the Group did not dispose any property, plant and equipment *(Six months ended 30 June 2025: the Group disposed computer equipment with nil net book value)*. The Group did not write off plant and equipment during the six months ended 30 June 2026 and 2025.

12. 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$41,000 *(31 December 2025: approximately HK$90,000)*.

The Group as lessee

Right-of-use assets

	Office premises	
	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Reconciliation of carrying amount		
At the beginning of the reporting period	**124**	6
Addition	**–**	238
Depreciation	**(69)**	(99)
Disposal of subsidiaries*	**–**	(17)
Exchange alignment	**1**	(4)
At the end of the reporting period	**56**	124
At the end of the reporting period		
Cost	**214**	214
Accumulated depreciation	**(158)**	(90)
Net carrying amount	**56**	124

* *Detailed set out in Note 26 of the 2025 Consolidated Financial Statements.*

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Lease liabilities

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current portion	**57**	125

During the six months ended 30 June 2026, the Group leased office premises for its operation and the lease terms of 19 months. The total cash outflow for lease was approximately HK$66,000 *(Six months ended 30 June 2025: approximately HK$10,000)*.

At 30 June 2026, the weighted average effective interest rate for the lease liabilities of the Group was approximately 1.2% per annum *(31 December 2025: approximately 1.8% per annum)*.

13. INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group incurred approximately HK$1,119,000 on addition to intangible assets *(Six months ended 30 June 2025: approximately HK$1,126,000)*. The Group did not dispose and write off intangible assets during the six months ended 30 June 2026 and 2025. All intangible assets are available for use at 30 June 2026 and 31 December 2025.

14. GOODWILL

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Reconciliation of carrying amount		
At the beginning of the reporting period	**2,835**	2,663
Exchange alignment	**5**	172
At the end of the reporting period	**2,840**	2,835
Cost	**5,680**	5,670
Accumulated impairment losses	**(2,840)**	(2,835)
	2,840	2,835

15. TRADE AND OTHER RECEIVABLES

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables from third parties		**4,492**	9,304
Less: Loss allowance	*(a)*	**(2,236)**	(2,009)
	(a)	**2,256**	7,295
Other receivables			
Prepayments		**597**	1,427
Deposits and other receivables	*(b)*	**793**	532
		1,390	1,959
		3,646	9,254

15. 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 allowance) at the end of each reporting period is as follows:

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Within 30 days	**1,564**	4,924
31 to 60 days	**90**	1,337
61 to 90 days	**384**	53
91 to 180 days	**155**	53
181 to 365 days	**41**	928
Over 1 year	**22**	–
	2,256	7,295

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

	30 June 2026 *HK$'000* **(Unaudited)**	31 December 2025 *HK$'000* (Audited)
Not yet due	**1,482**	2,182
Past due:		
Within 30 days	**156**	4,067
31 to 60 days	**136**	55
61 to 90 days	**337**	32
91 to 180 days	**104**	34
181 to 365 days	**22**	925
Over 1 year	**19**	–
	774	5,113
	2,256	7,295

15. TRADE AND OTHER RECEIVABLES (Continued)

(a) (Continued)

The Group's customer base consists of a wide range of customers and 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 expected credit losses ("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 six months ended 30 June 2026. The information about the exposure to credit risk and ECL for trade receivables using a provision matrix at 30 June 2026 and 31 December 2025 are summarised below.

At 30 June 2026 (Unaudited)

	Expected loss rate	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**	**Credit-impaired**
	%	*HK$'000*	*HK$'000*	*HK$'000*	
Not past due	**–**	**1,482**	**–**	**1,482**	**No**
1 – 365 days past due	**–**	**755**	**–**	**755**	**No**
Over 1 year past due	**99.2%**	**2,255**	**(2,236)**	**19**	**No**
		4,492	**(2,236)**	**2,256**	

At 31 December 2025 (Audited)

	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Credit-impaired
	%	*HK$'000*	*HK$'000*	*HK$'000*	
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	

15. TRADE AND OTHER RECEIVABLES (Continued)

(a) (Continued)

At 30 June 2026, the Group recognised loss allowance of approximately HK$2,236,000 *(31 December 2025: approximately HK$2,009,000)* on the trade receivables. The movement in the loss allowance for trade receivables is summarised below.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the reporting period	**2,009**	1,672
Increase in allowance	**229**	269
Exchange alignment	**(2)**	68
At the end of the reporting period	**2,236**	2,009

The Group does not hold any collateral over the trade receivables at 30 June 2026 *(31 December 2025: Nil)*.

(b) 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 six months ended 30 June 2026.

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 (detailed set out in Note 26 of the 2025 Consolidated Financial Statements). The movement in the loss allowance for other receivables is summarised below.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the reporting period	**–**	163
Disposal of subsidiaries	**–**	(163)
At the end of the reporting period	**–**	-

16. TRADE AND OTHER PAYABLES

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade payables to third parties	*(a)*	**1,050**	6,637
Other payables			
Accruals and other payables		**1,722**	1,354
Receipt in advance	*(b)*	**914**	750
Payable on acquisition of intangible assets	*(c)*	**1,230**	1,230
		3,866	3,334
		4,916	9,971

(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 each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 30 days	**52**	4,187
31 to 60 days	**411**	1,844
61 to 90 days	**92**	587
Over 90 days	**495**	19
	1,050	6,637

16. TRADE AND OTHER PAYABLES (Continued)

(b) The movements (excluding those arising from increases and decreases both occurred within the same periods) of receipt in advance from contracts with customer within IFRS 15 during the six months ended 30 June 2026 and year ended 31 December 2025 are as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the reporting period	**750**	1,270
Recognised as revenue	**(590)**	(1,270)
Receipt of advances or recognition of receivables	**758**	750
Exchange alignment	**(4)**	–
At the end of reporting period	**914**	750

Included in the amount of transaction price allocated to the remaining performance obligations that are unsatisfied (or partially unsatisfied) at 30 June 2026 is approximately HK$914,000 *(31 December 2025: approximately HK$750,000)*, which is expected to be recognised as revenue within one year.

(c) During the year ended 31 December 2020, the Group has acquired several software copyrights with a total consideration of HK$13,175,000 which recognised as "Intangible assets". Up to 30 June 2026, consideration of HK$1,230,000 *(31 December 2025: HK$1,230,000)* is remained unsettled and repayable in demand *(31 December 2025: repayable on demand)*.

17. SHARE CAPITAL

	Number of shares	***HK$'000***
Ordinary share of HK$0.01 each		
Authorised:		
At 1 January 2025, 31 December 2025 and 30 June 2026	**6,000,000,000**	**60,000**
Issued and fully paid:		
At 1 January 2025, 31 December 2025 and 30 June 2026	**887,760,000**	**8,878**

18. 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(上海)科技服务有限公司 (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.

Accordingly, the segment of SaaS was classified as a discontinued operation (the "Discontinued Operation of SaaS") during the six months ended 30 June 2025. The results of the Discontinued Operation of SaaS have been presented separately in the condensed consolidated statement of profit or loss and other comprehensive income.

The results of the Discontinued Operation of SaaS for the six months ended 30 June 2025 are analysed as follows:

	(Unaudited) For the six months ended 30 June 2025 *HK$'000*
Other income	7
Staff costs and related expenses	(127)
Depreciation and amortisation	(11)
General and administrative expenses	(2)
Finance costs	–*
Loss before income tax	(133)
Income tax expenses	–
Loss for the period	(133)

* *amount less than HK$1,000*

18. DISCONTINUED OPERATION (Continued)

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

	(Unaudited) For the six months ended 30 June 2025 *HK$'000*
Net cash used in operating activities	(122)
Net cash used in financing activities	(10)

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The 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.

In 2022, the Group launched its proprietary Visitor Management System ("VMS"), which was further enhanced in 2023 into a comprehensive Senior Care Management System ("SCMS") and smart healthcare platform. These solutions provide an integrated platform for managing visitors, residents or participants, activities, care processes and related operational records across senior activity centres, active ageing centres, community organisations, nursing homes and other healthcare-related facilities. The VMS and SCMS form part of the Group's broader smart healthcare and business process automation offering.

During the Period, the Group continued to focus on digitalisation solutions for community care and healthcare organisations in Singapore. Business development efforts remained focused on: (i) deepening penetration within Singapore's community care and healthcare sectors; (ii) expanding cross-selling opportunities between VMS, SCMS and smart healthcare applications; (iii) converting existing deployments into maintenance, support and enhancement income; and (iv) pursuing additional projects with senior care operators, nursing homes, hospitals and community organisations. The Group's data-protection and cyber-security credentials continue to support its positioning for organisations that handle sensitive personal and healthcare-related information.

During the Period and up to the date of this report, the Group continued to secure new clients and projects in the community care and healthcare landscape, including the Singapore Cancer Society ("SCS"). The engagement of SCS represents an important milestone for the Group and reflects growing market recognition of its digitalisation solutions. This also broadens the Group's exposure to a wider range of organisations and supports its project pipeline going forward.

The Group also continued to develop its business under the strategic cooperation agreement (the "Agreement") with a leading cloud hosting provider in Malaysia for graphics processing unit ("GPU") service hosting and related services. The Agreement, which has a term from January 2025 to December 2026, is intended to enhance the Group's access to tenders and negotiations for higher-value projects. During the Period and up to the date of this report, the Group secured multiple projects through the Agreement and successfully diversified its product offerings, including the development of IT software focused on AI-driven business support systems.

In addition, the Group formed a partnership with a prominent Malaysian accounting software provider (the "Accounting Software Provider"), which serves over 240,000 companies across various industries. This collaboration is expected to support continued growth in the Group's customer base. The ongoing implementation of e-invoicing in Malaysia has encouraged many businesses to upgrade their accounting systems, thereby increasing demand for the Group's IT security and hosting services. The partnership also creates cross-selling opportunities for complementary products, including antivirus solutions and networking equipment. During the Period and up to the date of this report, the Group secured multiple projects through this collaboration and successfully expanded its clientele to different sectors.

For the Period, the reportable segment results (Adjusted EBITDA) in the cyber security solutions segment and IT software development segment were profit of approximately HK$2,470,000 (The Preceding Period: approximately HK$634,000). This improvement was primarily driven by increased revenue from this business segment.

During the Period, the Group achieved a remarkable increase in revenue from this segment, which rose by approximately HK$5,456,000 or 68.6% from approximately HK$7,953,000 for the Preceding Period to approximately HK$13,409,000 for the Period. The growth was mainly driven by (i) the securing of new projects in the community care and healthcare sector; (ii) the successful implementation of new business initiatives, including the Agreement and the partnership with the Accounting Software Provider; and (iii) the diversification of the Group's product offerings.

PROSPECT

Looking ahead, the Group will continue to focus on the development and enhancement of its cyber security solutions and IT software development business, with particular emphasis on digitalisation solutions for community care and healthcare organisations. The Group expects demand for its VMS, SCMS and related smart healthcare applications to remain supported by the continued digital transformation of service providers handling sensitive personal and healthcare-related information.

The Group will continue to pursue its business development strategy by deepening market penetration in Singapore, expanding cross-selling opportunities across its product suite, and broadening its customer base through strategic partnerships and new project opportunities. At the same time, the Group will continue to explore opportunities with senior care operators, nursing homes, hospitals and community organisations, with a view to strengthening recurring revenue streams through maintenance, support and enhancement services.

In parallel, the Group will continue to develop its strategic cooperation under the Agreement, which is expected to enhance its ability to participate in tenders and pursue higher-value projects. The partnership with the Accounting Software Provider is also expected to provide further opportunities for market expansion, particularly through cross-selling and entry into new industries.

The Group will remain committed to strengthening its competitive position, enhancing operational efficiency through the use of AI tools and other technologies, diversifying its product offerings and pursuing sustainable growth, with the ultimate objective of delivering long-term value to the shareholders of the Company.

FINANCIAL REVIEW

REVENUE

The Group derives its revenue primarily from the provision of the cyber security solutions and IT software development business. For the Period, the Group recorded a total revenue of approximately HK$13,409,000 (The Preceding Period: approximately HK$7,953,000), represented an increase of approximately HK$5,456,000 or 68.6%.

This growth was was mainly driven by (i) the securing of new projects in the community care and healthcare sector; (ii) the successful implementation of new business initiatives, including the Agreement and the partnership with the Accounting Software Provider; and (iii) the diversification of the Group's product offerings.

COST OF INVENTORIES SOLD

The Group's cost of inventories sold decreased from approximately HK$4,002,000 for the Preceding Period to approximately HK$1,531,000 for the Period. The decrease was mainly due to the decrease in the number of purchases of hardware components during the Period.

COST OF SERVICES

Amount primarily consisted of subcontracting fees for technology vendors and individual service providers, along with other service-related costs. For the Period, the Group recorded a substantial increase in cost of services from approximately HK$69,000 for the Preceding Period to approximately HK$5,721,000. Such increase was primarily driven by heightened demand for subcontracting services, which corresponded with the significant revenue growth recorded for the Period.

STAFF COSTS AND RELATED EXPENSES

For the Period, the Group recorded staff costs and related expenses of approximately HK$3,148,000 (The Preceding Period: approximately HK$2,872,000). This increase was primarily attributable to the increase in average salaries during the Period.

IMPAIRMENT LOSS ON TRADE AND OTHER RECEIVABLES, NET

The Group assessed impairment loss on trade receivables by 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. 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$229,000 was recognised for the Period (The Preceding Period: Nil). Details of the impairment assessment on trade receivables and other receivables are set out in Note 15 to the Interim Consolidated Financial Statements in this report.

GENERAL AND ADMINISTRATIVE EXPENSES

The amount of general and administrative expenses increased from approximately HK$1,440,000 for the Preceding Period to approximately HK$1,489,000 for the Period. The steady amount incurred for the Period reflects the Group's ongoing cost control efforts.

PROFIT (LOSS) FOR THE PERIOD

The Group recorded a profit for the Period at approximately HK$228,000, versus loss for the Preceding Period at approximately HK$1,338,000. The turnaround of results 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 "Business Review and Outlook"; and (ii) increase in depreciation and amortisation expenses from approximately HK$762,000 for the Preceding Period to approximately HK$1,184,000 for the Period due to additions of internally developed technologies during the Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group had current assets of approximately HK$11,845,000 (31 December 2025: approximately HK$16,628,000) including bank balances and cash of approximately HK$8,104,000 (31 December 2025: approximately HK$7,271,000) which are principally denominated in HK$, RM and SG$, and the Group did not have any bank borrowings and debts. Total assets were approximately HK$19,002,000 (31 December 2025: approximately HK$23,933,000) and total liabilities were approximately HK$4,973,000 (31 December 2025: approximately HK$10,096,000). The gearing ratio is not available, since the Group had no bank borrowings and no debts as at 30 June 2026 and 31 December 2025.

SHARE CAPITAL

As at 30 June 2026 and 31 December 2025, the authorised share capital of the Company was HK$60,000,000 divided into 6,000,000,000 shares of HK$0.01 each, and the issued share capital of the Company was approximately HK$8,878,000 divided into 887,760,000 ordinary shares of HK$0.01 each.

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 30 June 2026 and 31 December 2025.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have significant investment, material acquisitions and disposal during the Period and the Preceding Period.

CHARGE ON THE GROUP'S ASSETS

There was no charge on the Group's assets as at 30 June 2026 and 31 December 2025.

DIVIDEND

The Directors did not recommend a payment of an interim dividend for the Period (The Preceding Period: Nil).

EMPLOYEES INFORMATION

As at 30 June 2026, the Group had a total number of 15 employees (30 June 2025: 17 employees) (including executive Directors). During the Period, the total staff costs amount to approximately HK$3,148,000 (The Preceding Period: approximately HK$2,872,000), representing an increase of approximately HK$276,000.

The salaries and benefits of the Group's employees were kept at 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.

A 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. Besides, 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.

EVENT AFTER THE REPORTING PERIOD

There was no significant event of the Group after the reporting period and up to the date of this report.

CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND COMPOSITION OF BOARD COMMITTEES

On 20 May 2026, Mr. Yeung Chun Yue David ("Mr. Yeung") resigned as an independent non-executive Director. Following Mr. Yeung's resignation, Mr. Yeung has ceased as a member of the audit committee of the Company (the "Audit Committee") and a member of remuneration committee of the Company (the "Remuneration Committee").

Mr. Ying Kan Man ("Mr. Ying") has been appointed as an independent non-executive Director with effect from 20 May 2026. In replacement of Mr. Yeung's positions on the Board committees, Mr. Ying has also been appointed as a member of the Audit Committee and a member of the Remuneration Committee with effect from 20 May 2026.

Details regarding the above changes in independent non-executive Director and composition of Board committee are set out in the Company's announcement dated 20 May 2026.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2026, the interest and short position of the Directors or chief executives of the Company 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, were as follows:

INTERESTS IN THE SHARES

Name of Shareholder	Capacity/Nature	Number of Shares held/ interested in *(Note 1)*	Percentage of issued share capital
Mr. Kenneth Vun ("Mr. Vun") *(Note 2)*	Interest in a controlled corporation	13,340,450 (L)	1.50%

Notes:

1. The Letter "L" demonstrates long position.

2. Mr. Vun beneficially owns the entire issued shares of VCAP Global Inc, a company incorporated in the British Virgin Islands (the "BVI"), which in turn holds 21,000,000 shares or approximately 11.32% of XOX Berhad. XOX (Hong Kong) Limited, an investment holding company wholly-owned by XOX Berhad, is interested in 117,848,500 Shares, representing approximately 13.27% of the issued share capital of the Company. Therefore, Mr. Vun is deemed, or taken to be, interested in 13,340,450 Shares held by XOX (Hong Kong) Limited in proportion of Mr. Vun's indirect shareholding in XOX (Hong Kong) Limited for the purpose of the SFO.

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

As at 30 June 2026, 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 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%
Foo Moo Teng ("Mr. Foo") *(Note 3)*	Interested in a controlled corporation	154,838,000 (L) 154,838,000 (S)	17.44%
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 BVI and is wholly-owned by Mr. Foo. Mr. Foo has resigned as the chairman of the Board, executive Director and chief executive officer of the Company 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) in proportion of Mr. Vun's indirect shareholding in XOX (Hong Kong).

Save as disclosed above, as at 30 June 2026, 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 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.

CORPORATE GOVERNANCE CODE

The Corporate Governance Code (the "Code") in Appendix C1 to the GEM Listing Rules sets out the principles of good corporate governance, code provisions and recommended best practices. Issuers are expected to comply with the code provisions or devise their own code on corporate governance on the terms they consider appropriate provided that considered reasons are given.

During the Period, the Company's corporate governance practices had complied with the applicable code provisions of the Code.

INTERESTS IN COMPETING BUSINESS

During the Period and up to the date of this report, none of the Directors, substantial shareholders of the Company and their respective close associates (as defined in GEM Listing Rules) had any interest in any business that directly or indirectly competed or might compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 the Period. As at 30 June 2026, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less 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 for securities transactions by the Directors in respect of the Shares (the "Code of Conduct"). The Company also made specific enquiry with all Directors, and the Company was not aware of any non-compliance with the required standard as set out in the Code of Conduct during the Period.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Scheme") has been adopted by way of shareholders' written resolution passed on 31 May 2017. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

During the Period and the Preceding Period, no share option had been granted, cancelled, exercised or lapsed pursuant to the Scheme. There was no share option outstanding as at 30 June 2026. As at 1 January 2026, 30 June 2026 and as of the date of this report, the total number of Shares available for issue under the Scheme was 60,000,000, representing approximately 6.8% of the entire issued share capital of the Company.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and the Corporate Governance Code in Appendix C1 to the GEM Listing Rules for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures. As at 30 June 2026, the Audit Committee comprised three independent non-executive Directors, namely Ms. Lim Joo Seng, Mr. Lynch Stephen Joseph Chor and Mr. Ying Kan Man. Ms. Lim Joo Seng is the chair of the Audit Committee.

The Interim Consolidated Financial Statements have been reviewed by the Audit Committee, which were of the opinion that such statements have complied with the applicable accounting standards and that adequate disclosures have been made.

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

Malaysia, 24 August 2026

As at the date of this report, 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. Ying Kan Man.

This report, 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 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.