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BYTE META

BYTE METAVERSE HOLDINGS LIMITED

比特元宇宙控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8645)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 2026**

The board of directors (the “**Board**”) of Byte Metaverse Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) is pleased to announce the audited consolidated results of the Group for the year ended 30 June 2026. This announcement, containing the full text of the annual report of the Company for the year ended 30 June 2026 (“**2025/2026 Annual Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of the annual results. Printed version of the 2025/2026 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 byte-metaverse.com in due course.

By Order of the Board
Byte Metaverse Holdings Limited
Yu Decai
Chairman and Executive Director

Hong Kong, 23 September 2026

As at the date of this announcement, the Board comprises Mr. Yu Decai and Mr. Tian Jia as Executive Directors; Ms. Jin Yangyang as Non-executive Director; and Mr. Ng Der Sian, Mr. Tan Chenhui and Ms. Zheng Li Ping as Independent Non-executive Directors.

*This announcement, for which the directors (the “**Directors**”) of the Company 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 Stock Exchange website at www.hkexnews.hk on the “Latest Listed Company Information” page for at least seven days from the date of its publication. This announcement will also be published on the Company’s website at byte-metaverse.com.



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 of the Stock Exchange 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 Byte Metaverse Holdings 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.*

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yu Decai (*Chairman*)

Mr. Tian Jia

(*Appointed on 30 March 2026*)

Mr. Hu Mingdai

(*Resigned on 30 March 2026*)

Non-executive Director

Ms. Jin Yangyang

Independent Non-executive Directors

Mr. Ng Der Sian

Mr. Tan Chenhui

(*Appointed on 1 June 2026*)

Ms. Zheng Li Ping

Mr. Shen Haipeng

(*Resigned on 1 June 2026*)

AUDIT COMMITTEE

Mr. Ng Der Sian (*Chairman*)

Mr. Tan Chenhui

(*Appointed on 1 June 2026*)

Ms. Jin Yangyang

Ms. Zheng Li Ping

Mr. Shen Haipeng

(*Resigned on 1 June 2026*)

NOMINATION COMMITTEE

Ms. Zheng Li Ping (*Chairman*)

Mr. Ng Der Sian

Mr. Yu Decai

REMUNERATION COMMITTEE

Mr. Tan Chenhui (*Chairman*)

(*Appointed on 1 June 2026*)

Mr. Ng Der Sian

Mr. Yu Decai

Mr. Shen Haipeng

(*Resigned on 1 June 2026*)

COMPANY SECRETARY

Ms. Wong Po Lam (CPA)

AUTHORISED REPRESENTATIVES

Ms. Wong Po Lam (CPA)

Mr. Yu Decai

AUDITOR

Forvis Mazars CPA Limited

Certified Public Accountants

42/F, Central Plaza

18 Harbour Road, Wanchai

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Melaka, Malaysia

PRINCIPAL PLACE OF BUSINESS IN CHINESE MAINLAND

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PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

ZA Bank Limited
Room 1301, 13/F, Core F, Cyberport
100 Cyberport Road
Pok Fu Lam
Hong Kong

Malayan Bank Berhad
14th Floor, Menara Maybank
100 Jalan Tun Perak, 50050
Kuala Lumpur, Malaysia

China Merchants Bank Co., Ltd.
Anlian Building
Fuzhong 3rd Road Futian District
Shenzhen, Chinese Mainland

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350, Grand Cayman KY1-1108 Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
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183 Queen's Road East, Wanchai
Hong Kong

STOCK CODE

8645

WEBSITE OF THE COMPANY

byte-metaverse.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Byte Metaverse Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), I am honored to present the annual report and the consolidated financial statements of the Group for the year ended 30 June 2026 (the “**Year**”).

STRATEGIC RESILIENCE AND CORPORATE EVOLUTION

The Group is principally engaged in (i) network support services which mainly encompass network infrastructure design and hardware installation, network management and security services; (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services; (iii) electronic commerce (“**E-Commerce**”) services; and (iv) online game intellectual property (“**IP**”) authorisation management services, primarily serving markets in Malaysia and Chinese Mainland.

Since the successful listing of the Company’s shares (the “**Shares**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 December 2019 (the “**Listing Date**”), the Group has remained steadfast in expanding its capital strength, enhancing operational resilience, and pursuing high-quality, sustainable growth. In the face of complex macroeconomic shifts, technological disruption and shifting industry landscapes, the Group has proactively undertaken strategic realignments, moving away from capital-heavy, low-margin legacy operations and pivoting toward high-value digital services, Web3 infrastructure and artificial intelligence (“**AI**”) computing technologies.

During the Year, our Group recorded total revenue of approximately HK\$156,914,000 for the Year, representing a decrease of approximately HK\$139,290,000 or 47.0% compared to approximately HK\$296,204,000 for the year ended 30 June 2025 (the “**Prior Year**”). This decline in revenue was primarily attributable to the completion of a large-scale project in Chinese Mainland under network support services and network connectivity services segment in the Prior Year and our deliberate decision to wind down fiercely contested, low-margin consumer electronics trading business under E-Commerce segment, in which underlying quality of earnings demonstrated meaningful progress. Our gross profit margin improved from approximately 5.4% in the Prior Year to approximately 9.0% for the Year, reflecting our disciplined transition toward higher-margin business lines.

The Group recorded a loss for the Year of approximately HK\$21,457,000 (*2025: approximately HK\$11,197,000*), mainly due to the recognition of the share of loss of associates and the non-recurrence of a one-off gain from the disposal of subsidiaries recognised in the Prior Year.

Further details regarding the Group’s performance and financial analysis are set out in the “Management Discussion and Analysis” section of this report.

EMBRACING HONG KONG’S WEB3 AND DIGITAL ASSET MOMENTUM

Hong Kong has firmly established itself as a premier global hub for the digital economy and virtual assets. Guided by the Hong Kong Special Administrative Region Government’s (the “**HKSAR Government**”) foundational Policy Statement on Development of Virtual Assets in Hong Kong issued in October 2022 and its subsequent policy frameworks, Hong Kong has built a transparent, robust and investor-protective regulatory regime adhering to the principle of “same activity, same risks, same regulation”. Concrete institutional developments, including the pioneering issuance of tokenised green bonds and the successful listing and trading of spot Bitcoin and Ethereum exchange-traded funds (“**ETFs**”) on the Stock Exchange, have validated the institutionalisation of the digital asset ecosystem.

Rooted in Hong Kong, the Group enjoys distinct first-mover advantages by combining local regulatory awareness with advanced technological research and development. While virtual asset regulations continue to mature, the Group has methodically advanced its compliance and technology capabilities:

1. **Trust and Custody Infrastructure:** Our indirect wholly-owned subsidiary, Bitcoin World Custodian Limited, maintains a valid Trust or Company Service Provider (“**TCSP**”) licence granted under Section 53G of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) (“**AMLO**”), providing secure, compliant custodial foundations for virtual asset operations.
2. **Virtual Asset Trading Platform (“VATP”) Regulatory Engagement:** Our indirect wholly-owned subsidiary, Bitcoin World Technology Limited (“**Bitcoin World Technology**”), has actively engaged with the Securities and Futures Commission of Hong Kong (the “**SFC**”) regarding applications for licences to conduct Type 1 (dealing in securities) and Type 7 (providing automated trading services) regulated activities under the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) and under the AMLO (the “**Licences Application**”). While the formal application was temporarily withdrawn during the Prior Year to prudently evaluate and satisfy enhanced capitalisation and operational prerequisites raised during the review process, the Group remains resolutely dedicated to allocating the requisite capital, compliance and technological resources to fulfill all regulatory requirements for future resubmission.
3. **Proprietary Web3 & Compliance Software:** Parallel to direct licensing, the Group has channeled research and development (“**R&D**”) investments into developing proprietary on-chain Know-Your-Customer (“**KYC**”) and Anti-Money Laundering (“**AML**”) compliance software, transaction surveillance modules and multi-chain wallet solutions tailored to serve licensed virtual asset exchanges and institutional market participants globally.

FORGING AHEAD INTO THE AI COMPUTING POWER ERA

Looking forward, in addition to strengthening existing business segments, the Group will actively explore strategic opportunities within the artificial intelligence (“**AI**”) computing power sector. Driven by expanding global demand for high-performance computing power (算力) and large-scale digital models, and leveraging our accumulated network architecture, server operations, and digital technology resources, the Group aims to develop an integrated computing power scheduling and management service model. Anchored by Hong Kong’s position as an international financial and data gateway, the Group will explore Token usage big data algorithms and a “computing power reverse outbound” (算力逆向出海) approach to efficiently connect distributed computing resources with evolving market demand.

To align our corporate identity with this strategic focus, the Board has proposed to change the English name of the Company from “Byte Metaverse Holdings Limited” to “Mekong Supercompute Holdings Limited” and to cease the use of the Chinese name of “比特元宇宙控股有限公司” as our dual foreign Chinese name (the “**Proposed Change in Company Name**”), subject to the approval by shareholders of the Company (the “**Shareholders**”) at the forthcoming annual general meeting of the Company on Thursday, 12 November 2026 (the “**2026 AGM**”). In the proposed name, “Supercompute” embodies our focus on advanced computing power and intelligent data centre operations, while “Mekong” reflects our vision to leverage the regional and logistical advantages of Southeast Asia and the Greater Mekong Subregion to foster an international computing network.

APPRECIATION

On behalf of the Board, I would like to extend my deepest gratitude to our Shareholders, customers, financial institutions and business partners for their enduring trust and support. My heartfelt appreciation also goes to our management team and every employee across Hong Kong, Chinese Mainland and Malaysia for their diligence, innovation and professional commitment. As we navigate new technological frontiers, we remain confident in our strategic vision and look forward to delivering enduring, sustainable value to all stakeholders in financial year ending 30 June 2027 and beyond.

Yu Decai

Chairman

Hong Kong, 23 September 2026

Dear Shareholders,

It is my pleasure to report on the Group's business performance for the Year, to provide our Shareholders and investors with direct, comprehensive transparency into our operational execution, business segment performance and forward strategic trajectory.

BUSINESS REVIEW

The Company is an investment holding company and the Group is principally engaged in rendering (i) network support services which mainly encompass network infrastructure design and hardware installation, network management and security services; (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services; (iii) E-Commerce services; and (iv) online game IP authorisation management services, primarily serving markets in Malaysia and Chinese Mainland.

During the Year, we deliberately curbed lower-margin consumer electronics trading business under E-Commerce segment and refocused our core competencies on higher-margin businesses. While total revenue contracted by approximately HK\$139,290,000 or 47.0% to approximately HK\$156,914,000 for the Year (2025: approximately HK\$296,204,000) due to the scheduled completion of a major project in Chinese Mainland under network support services and network connectivity services segment and the winding down of commodity hardware trading under E-Commerce segment, our operational restructuring yielded a marked improvement in earning quality, lifting our overall gross profit margin from approximately 5.4% in the Prior Year to approximately 9.0% for the Year.

E-Commerce Business

During the Year, the Group achieved substantial operational breakthroughs in its digital marketing activities within the E-Commerce segment. In view of intense domestic competition and compressed profit margins, the Group consciously suspended its sales collaborations with Guangdong Oppo Mobile Telecommunications Corp., Ltd. and Zhuhai Xingji Meizu Information Technology Co., Ltd., resulting in a decrease in sales in E-Commerce platforms by approximately HK\$4,332,000 or 95.8% to approximately HK\$192,000 (2025: approximately HK\$4,524,000).

Conversely, our transformed social media exposure business expanded exponentially. Revenue generated from the sales of social media exposure increased by approximately HK\$28,843,000 or 250.0% to approximately HK\$40,382,000 for the Year (2025: approximately HK\$11,539,000). Building upon strategic collaborations established with prominent E-Commerce retail platforms and large-scale AI enterprises, the Group procures active user traffic from suppliers of leading domestic social media platforms and redistributes this traffic to corporate clients seeking targeted commercial exposure and audience engagement. Furthermore, leveraging these established supplier relationships, the Group successfully expanded into selling social media activity traffic to internet game operating licensees. Concurrently, our business collaboration with a leading Chinese internet search engine company (360 Search/www.360.cn) remained active and stable throughout the Year.

Moving forward, the Group will continue to broaden its social media traffic distribution channels and pursue strategic partnerships with additional internet companies and high-growth E-Commerce retail platforms under profit-sharing cooperation models.

Online Game IP Authorisation Management Services

Since late 2023, the Group has developed its online game IP authorisation management business by means of obtaining the sublicensing of the unofficial version of online game “Legend of Mir II” on Personal Computer (PC), which was granted by an independent third party. Through the sublicensing, the Group has generated revenue by IP authorisation of the unofficial version of “Legend of Mir II” and providing relevant IP management services. During the Year, this business segment delivered stable, with revenue rising by approximately HK\$4,928,000 or 13.5% to approximately HK\$41,536,000 (2025: approximately HK\$36,608,000).

The Group has reinforced its specialised game IP marketing and business development teams and is actively seeking cooperative opportunities with other prominent game development companies to secure additional IP authorisations for sublicensing, thereby diversifying our online gaming revenue base.

Network Support Services and Network Connectivity Services

During the Year, the Group recorded revenue from the network support services and network connectivity services segment of approximately HK\$74,804,000 (2025: approximately HK\$242,738,000). The decrease of approximately HK\$167,934,000 or 69.2% was primarily attributable to the completion of a major project in Chinese Mainland during the Prior Year.

In coming years, the Group does not expect to renew the network service provider license (the “**NSP License**”), which is issued by the Malaysian Communications and Multimedia Commission (MCMC) and will expire in January 2030. Pursuant to the Communications and Multimedia Act 1998 (Act 588) of the Malaysian Law, the shareholding of the company who holds the NSP License shall comply with relevant Malaysian foreign investment restrictions, which the ultimate foreign equity holding of the NSP License holder is limited to 49.0%. Approximately 40.17% and 14.87% of issued share capital of the Company (the “**Shares**”) is held by Thrive Harvest Limited (“**Thrive Harvest**”) and Worldtone Riches Investment Limited (“**Worldtone Riches**”), respectively, in which both of Thrive Harvest and Worldtone Riches are wholly-owned by Mr. Yu Decai (“**Mr. Yu**”), a Chinese citizen. Therefore, the Malaysian subsidiary who holds the NSP License (the “**NSP License Holder**”) cannot fulfill the requirement to renew the NSP License. Thus, the NSP License Holder does not expect to renew the NSP License.

Upon expiry of the NSP License, the Group is still eligible to provide non-NSP License related services in Malaysia. For existing contracts including both the NSP License related services and the non-NSP License related services, as the performance obligation of the NSP License related services and the non-NSP related services can be separately individually. The Group is still confident in the negotiation with existing customers on the provision of the non-NSP License related services upon expiry of the NSP License. The Board is in the view that there is no significant effect on the non-NSP License services of the Group.

However, the abandon of NSP License will lead to the significantly decrease in network connectivity service in Malaysia as the Malaysian subsidiary will not be eligible to subscribe for the networks of third-party telecommunication companies so as to leverage their nationwide network infrastructure to provide network connectivity services to customers. During the Year, the revenue and gross profit generated from the NSP License related services amounted at approximately HK\$27,468,000 (2025: approximately HK\$29,153,000) and approximately HK\$4,395,000 (2025: approximately HK\$4,575,000), respectively, which represented approximately 36.7% (2025: approximately 12.0%) of total revenue and approximately 31.4% (2025: approximately 32.5%) of gross profit in this business segment, and approximately 17.5% (2025: approximately 9.8%) of total revenue and approximately 31.1% (2025: approximately 28.8%) of gross profit of the Group.

Meanwhile, in view of the prolonged decrease in business opportunities in the Malaysian market upon expiry of the NSP License, the Group has also explored markets on the network support services and network connectivity services to Chinese Mainland. In past years, the Group cooperated with scattered customers in order to explore market needs and identify the Group's market position in Chinese Mainland. After a few years' exploration, the Group has established strategic partnerships with several leading network service solution providers, concentrating on online gaming and digital economy small and medium-sized enterprises in Chinese Mainland. Furthermore, the Group has entered into cooperative agreements for server procurement with multiple domestic Internet companies in Chinese Mainland, which are anticipated to generate additional revenue streams and facilitate the expansion of its market share in this segment in Chinese Mainland market. Moving forward, the Group will also increase allocation of internal resources, including funds and personnel, to provide network services to online game operating companies together with online game IP authorisation management service. With expected increment in revenue as well as gross profit of the Group of the remaining businesses in the network support services and network connectivity services segment and other business segments of the Group, the Group believes that impact of abandon of the NSP License on the Group's revenue will be short-lived.

Development of Blockchain Technology and Web3 Ecosystem

The Group firmly believes that blockchain technology and virtual asset trading have the potential to bring about transformative changes to the financial and technology industries. Over recent financial years, the Group continued to invest in the R&D of proprietary blockchain technologies:

1. **Proprietary Web3 Software Solutions:** The Group has developed a multi-public chain and multi-currency blockchain wallet system and is actively investing resources into developing on-chain KYC and AML compliance software tailored to the needs of licensed virtual asset trading platforms.
2. **Web3 Content Portal and Media Alliances:** To establish an international traffic gateway and support Web3 business expansion, the Group is constructing a portal-style blockchain content platform. Through content alliances and partnerships with leading Web3 Key Opinion Leaders (KOLs), the platform will serve as an information hub and organic traffic portal connecting global users with digital asset innovations.
3. **Interests in Associates and Strategic Fund Engagements:** The Group retains its 34.16% equity interest in Million Up Holdings Limited and Fantastic Adventure Holdings Limited, whose respective subsidiaries, Yuen Meta (International) Securities Limited and Leo Asset Management Limited, continue to monitor developments in the licensed virtual asset management and advisory space.

Concurrently, in line with our asset-light strategy to broaden value-added services and cultivate relationships within Hong Kong's investment ecosystem, the Group undertook the role of general manager (the “GP”) of a Hong Kong Limited Partnership Fund (the “Fund”), who registered under the Limited Partnership Fund Ordinance (Chapter 637 of the Laws of Hong Kong) and established to invest in shares of a private equity investment. Under the governing contractual arrangements, the GP acts strictly on behalf and under the instructions of the limited partners (the “LPs”), who retain exclusive authority over all investment decisions and significant fund matters, alongside the unilateral right to remove and replace the GP without cause. The Group does not hold any capital contribution or other equity interest in the Fund. Consequently, the GP is entitled solely to a fixed management fee, while substantially all economic risks and rewards remain with the LPs.

Pursuant to IFRS 10 *Consolidated Financial Statements*, the GP acts in the capacity of an agent and does not control the Fund, and accordingly the Fund is not consolidated into the Group's financial statements. This arrangement allows the Group to secure predictable, recurring fee income without committing proprietary capital or assuming underlying portfolio valuation volatility, while establishing strategic connectivity with institutional private equity investors.

Progress of the Licences Application

The Group has continued to monitor the virtual asset regulatory framework administered by the SFC in Hong Kong:

1. In February 2024, our indirect wholly-owned subsidiary, Bitcoin World Custodian, obtained a TCSP licence under Section 53G of the AMLO.
2. In May 2024, our indirect wholly-owned subsidiary, Bitcoin World Technology, submitted formal applications to the SFC for licences to carry on Type 1 and Type 7 regulated activities under the SFO and to operate a virtual asset trading platform. Although the application was returned in November 2024 following the SFC's initial review, we continues to allocate resources to satisfy regulatory conditions for future application. To support the Group's business development and the licence application, the Company successfully completed share placings under the general mandate in April 2024 and March 2025, respectively. For further details, please refer to the section headed “Use of Proceeds from the 1st Placing and the 2nd Placing” under the “Management Discussion and Analysis” on pages 19 to 20 of this report.

Proposed Change of Company Name

On 23 September 2026, the Board announced a proposal to change the English name of the Company from “Byte Metaverse Holdings Limited” to “Mekong Supercompute Holdings Limited” and cease the use of the Chinese name of “比特元宇宙控股有限公司” as the dual foreign name of the Company.

The Board believes that the Proposed Change of Company Name will:

1. **Reflect Strategic Transformation:** Accurately mirror the strategic migration of the Group's operational focus from legacy internet services and metaverse concepts to core technology sectors, with an emphasis on AI computing power scheduling, management, and tokenisation. "Supercompute" represents our commitment to supercomputing and intelligent computing centres, while "Mekong" highlights our vision to leverage the geographical advantages of Southeast Asia and the Greater Mekong Subregion to establish an international computing power network;
2. **Harmonise Corporate Identity with Business Substance:** Establish a clear corporate identity as an "AI computing infrastructure operator", enhancing brand recognition among institutional investors and industry partners; and
3. **Capture High-Growth Market Opportunities:** Position the Group favorably to capitalize on exponential global AI computing demand and favorable digital infrastructure policies.

The Proposed Change of Company Name will not affect any rights of the Shareholders, nor will it impact the Group's daily operations or financial standing. Existing share certificates will continue to be valid for trading, settlement, registration, and delivery purposes. The proposed change is subject to the passing of a special resolution by the Shareholders at the 2026 AGM and the subsequent issuance of a certificate of incorporation on change of name by the Registrar of Companies in the Cayman Islands.

PROSPECTS AND STRATEGIC OUTLOOK

Entering the financial year ending 30 June 2027, we will focus on executing our core operational priorities: scaling our social media traffic distribution, broadening game IP licensing partnerships and transitioning enterprise network services toward server maintenance in Chinese Mainland. In parallel, our technical teams will advance the proprietary development of our AI computing power scheduling platform and token management algorithms to meet surging demand for computational resources.

Throughout this strategic progression, we remains committed to strict cost containment and optimising working capital efficiency. By aligning operational agility with technological innovation, we strive to enhance operating returns and deliver sustainable value to our Shareholders.

Su Di

Chief Executive Officer

Hong Kong, 23 September 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Our Group derives its revenue primarily from the provision of comprehensive and customised (i) network support services which includes the revenue from sales of hardware, on-site installation of hardware, network management and securities services, and lease of hardware; (ii) network connectivity services; (iii) E-Commerce services; and (iv) online game IP authorisation management services.

For the Year, total revenue decreased by approximately HK\$139,290,000 or 47.0% to approximately HK\$156,914,000, compared to HK\$296,204,000 in the Prior Year.

This decline was primarily driven by the combined effects of (i) the decrease in revenue from network support services and network connectivity services of approximately HK\$167,934,000 or 69.2% to approximately HK\$74,804,000 (2025: approximately HK\$242,738,000), primarily due to the completion of a major project in Chinese Mainland during the Prior Year; (ii) decline in sales in E-Commerce by approximately HK\$4,332,000 or 95.8% to approximately HK\$192,000 for the Year (2025: approximately HK\$4,524,000). This significant decrease resulted from the suspension of collaboration with Guangdong Oppo Mobile Telecommunications Corp., Ltd. and Zhuhai Xingji Meizu Information Technology Co., Ltd., in light of the intense competition within the domestic consumer electronics market; (iii) the substantial growth in sales of social media exposure by approximately HK\$28,843,000 or 250.0% to approximately HK\$40,382,000 for the Year (2025: approximately HK\$11,539,000); and (iv) the stable growth in online game IP authorisation management services, with revenue rising by approximately HK\$4,928,000 or 13.5% to approximately HK\$41,536,000 (2025: approximately HK\$36,608,000).

Cost of sales and services

Our cost of sales and services decreased by approximately HK\$137,536,000 or 49.1% from approximately HK\$280,318,000 for the Prior Year to approximately HK\$142,782,000 for the Year. This decrease was mainly attributable to decrease in costs of inventories by approximately HK\$165,321,000 or 93.9% to approximately HK\$10,651,000 (2025: approximately HK\$175,972,000), which was in direct alignment with the aggregate decline in sales of hardware and sales in E-Commerce by HK\$169,889,000 or 93.6% to HK\$11,539,000 for the Year (2025: approximately HK\$181,428,000).

Gross profit and gross profit margin

Our gross profit decreased by approximately HK\$1,754,000 or 11.0% to approximately HK\$14,132,000 for the Year (2025: approximately HK\$15,886,000), remaining generally in line with the overall reduction in revenue. However, our gross profit margin increased from approximately 5.4% for the Prior Year to approximately 9.0% for the Year. The increase in gross profit margin was primarily due to the security of projects, included large-scale, high-revenue that inherently carried lower profit margins during the Prior Year.

Other income

Our other income mainly represented interest income from bank deposits and government subsidies, which was one-off in nature and there was no unfulfilled condition or contingency relating to the government subsidies. The Group recognised other income stably at approximately HK\$125,000 and approximately HK\$178,000 for the Year and the Prior Year, respectively.

Other gain and losses, net

Our Group recognised other net losses of approximately HK\$440,000 for the Year, compared to other net gains of approximately HK\$5,749,000 for the Prior Year. This negative turnaround was mainly due to (i) the absence of a one-off gain of approximately HK\$5,461,000 from the disposal of Michong Technology Information (Shenzhen) Co., Limited* (米虫科技信息(深圳)有限公司) and its subsidiaries, which was recognised in the Prior Year; and (ii) the recognition of net provision for impairment loss on trade receivables amounting to approximately HK\$981,000 for the Year (2025: Nil).

Selling expenses

Our selling expenses, which primarily consist of commissions fees and referral fees for securing contracts with new and current customers, remained steady at approximately HK\$3,699,000 for the Year (2025: approximately HK\$3,862,000). This relative stability, despite the significant decline in overall revenue, was primarily attributable to the securing of projects during the Year, which carry inherently higher commission rates.

Administrative and other operating expenses

Our administrative and other operating expenses decreased by approximately HK\$7,364,000 or 21.3% from approximately HK\$34,613,000 for the Prior Year to approximately HK\$27,249,000 for the Year. Such decrease was mainly due to the decrease in depreciation by approximately HK\$8,954,000 or 62.9% to approximately HK\$5,275,000 for the Year (2025: approximately HK\$14,229,000).

Finance costs

Our finance costs mainly derived from the interest expenses on interest-bearing borrowings and bank overdrafts and interest expenses on lease liabilities. Such costs increased by approximately HK\$51,000 or 14.4% from approximately HK\$353,000 for the Prior Year to approximately HK\$404,000 for the Year, which was primarily driven by higher interest expenses on interest-bearing borrowings and bank overdrafts to approximately HK\$314,000 for the Year (2025: approximately HK\$263,000).

Share of results of associates

Our share of results of associates derived from the interests in associates. Share of results of associates amounted to loss of approximately HK\$3,693,000 (2025: Profit of approximately HK\$4,130,000).

Income tax (expense) credit

Our income tax (expenses) credit derived from current tax and deferred tax in relation to the temporary differences arising from the capital allowances and accelerated accounting depreciation, provision for contract costs and contract liabilities, and tax losses. Our Group recognised income tax expenses of approximately HK\$229,000 for the Year, compared to income tax credit of approximately HK\$1,688,000 for the Prior Year. This negative turnaround was mainly due to the deferred tax charge at approximately HK\$75,000 for the Year (2025: deferred tax credit at approximately HK\$1,699,000).

Loss for the year

Our loss for the year increased by approximately HK\$10,260,000 or 91.6% to approximately HK\$21,457,000 for the Year (2025: approximately HK\$11,197,000). Such increase in loss was mainly due to (i) the recognition of the share of loss of associates of approximately HK\$3,693,000 for the Year (2025: share of profit of approximately HK\$4,130,000); (ii) the negative turnaround from other net gains of approximately HK\$5,749,000 for the Prior Year to other net losses of approximately HK\$440,000 for the Year; and (iii) decrease in administrative and other operating expenses by approximately HK\$7,364,000 or 21.3% to approximately HK\$27,249,000 for the Year (2025: approximately HK\$34,613,000), as analysed above.

FINANCIAL POSITION, LIQUIDITY AND FINANCIAL RESOURCES

The Group has funded its liquidity and capital requirements primarily through capital contributions from Shareholders, interest-bearing borrowings, internally generated cash flow and proceeds received from the share offer from the Listing, the 1st Placing and the 2nd Placing.

As at 30 June 2026, the Group had bank balances and cash of approximately HK\$30,719,000 (30 June 2025: approximately HK\$31,235,000), pledged bank deposits of approximately HK\$486,000 (30 June 2025: approximately HK\$5,468,000).

As at 30 June 2026, the Group did not have any interest-bearing borrowings and bank overdrafts (30 June 2025: approximately HK\$4,491,000). The Group had lease liabilities of approximately HK\$6,546,000 (30 June 2025: approximately HK\$2,908,000).

As at 30 June 2026, the Group's current assets and current liabilities were approximately HK\$93,790,000 (30 June 2025: approximately HK\$98,577,000) and approximately HK\$49,273,000 (30 June 2025: approximately HK\$45,757,000), respectively. As at 30 June 2026, the current ratio, being the ratio of current assets to current liabilities, was approximately 1.9 times (30 June 2025: approximately 2.2 times).

As at 30 June 2026, the Group had no banking facilities (30 June 2025: approximately HK\$1,286,000 in unutilised banking facilities for short-term financing).

The gearing ratio is calculated based on the amount of total interest-bearing borrowings and bank overdrafts and lease liabilities divided by total equity. The gearing ratio of the Group as at 30 June 2026 was approximately 10.6% (30 June 2025: approximately 9.3%). The increase in gearing ratio was attributable to the decrease in total equity as at 30 June 2026.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on 9 December 2019. There has been no change in the capital structure of the Company since then. As at 30 June 2026, the capital structure of the Group comprised mainly of issued share capital and reserves. As at 30 June 2026, equity attributable to equity holders of the Company amounted to approximately HK\$60,909,000 (*30 June 2025: approximately HK\$78,949,000*).

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 requirement 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 does not have a foreign currency hedging policy. However, the Directors will continuously to monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES

As at 30 June 2026 and 2025, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had 63 employees (including Executive Directors) (*2025: 65 employees*). The staff costs (including Directors' emoluments) were approximately HK\$17,997,000 for the Year (*2025: approximately HK\$15,706,000*). The remuneration package of the employees is determined by various factors such as their qualifications, working experience and job performance, the market condition, industry practice and applicable employment law. Discretionary bonus based on job performance will be paid to employees as recognition of and reward for their contributions.

To provide incentive to the eligible participants (including Directors and employees), the remuneration package has been extended to include share award under the Share Award Schemes and share options under the Share Option Scheme. Details of the Share Award Schemes and the Share Option Scheme are set out in the section headed "Share Schemes" in the "Report of the Directors" on pages 39 to 44 of this report.

The Group encourages and subsidises employees to enrol and/or participate in development or training courses in support of their career and professional development. The Group also provides in-house training courses for the personal development of the employees.

The Group contributed defined contribution scheme to employees. The Group companies in Chinese Mainland have participated in defined contribution retirement plans and other employee social security plans including pension, medical, other welfare benefits (the “**Defined Contribution Plans in Chinese Mainland**”), which are organised and administered by the relevant governmental authorities for all qualifying employees in Chinese Mainland. 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 Chinese Mainland 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 Chinese Mainland as at 30 June 2026 and 2025. For the Year, the total amount contributed by the Group to the Defined Contribution Plans in Chinese Mainland was approximately HK\$74,000 (2025: approximately HK\$202,000).

The Group companies in Malaysia have participated in the Employees Provident Fund Scheme (the “**EPF Scheme**”) under the Employees Provident Fund Act 1991 for qualifying employees of the Group in Malaysia. The Group has contributed at 13% of relevant monthly salaries for the employees who render monthly salaries of RM5,000 or below; 12% of relevant monthly salaries for the employees who render monthly salaries of more than RM5,000, and for employees who has worked for more than 5 years, the Group has contributed at 15% of relevant monthly salaries 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 30 June 2026 and 2025. For the Year, the total amount contributed by the Group to the EPF Scheme was approximately HK\$1,422,000 (2025: approximately HK\$1,273,000).

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. 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 30 June 2026 and 2025. For the Year, the total amount contributed by the Group to the MPF Scheme was approximately HK\$265,000 (2025: approximately HK\$80,000).

PLEDGE OF ASSETS

As at 30 June 2026, the Group's lease liabilities (2025: *interest-bearing borrowings and bank overdrafts and lease liabilities*) are secured by charges over the following assets of the Group:

	2026 HK\$'000	2025 HK\$'000
Motor vehicles	585	856
Pledged bank deposits	486	5,468
	1,071	6,324

DIVIDENDS

The Board does not recommend the payment of a final dividend for the Year (2025: *Nil*).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND SIGNIFICANT INVESTMENTS

The Group did not have material acquisitions or disposals of subsidiaries and affiliated companies and significant investments during the Year.

SIGNIFICANT EVENTS

Changes of Directors, Composition of Board Committees and Senior Management

Details of the changes of Directors, composition of Board Committees and Senior Management are set out in the section headed "Changes of Directors, Composition of Board Committees and Senior Management" in the "Report of the Directors" on page 35 of this report.

EVENTS AFTER REPORTING PERIOD

Proposed Change of Company Name

The Board proposes to change the existing English name of the Company from "Byte Metaverse Holdings Limited" to "Mekong Supercompute Holdings Limited" and cease the use of the Chinese name of "比特元宇宙控股有限公司" as the dual foreign name of the Company. Details are set out in the Company's announcement dated 23 September 2026.

Proposed Adoption of the New Amended and Restated Memorandum and Articles of Association of the Company

The Board proposes to amend the existing Memorandum and Articles of Association dated 17 June 2022 (the "**Existing Memorandum and Articles of Association**") and adopt the new Memorandum and Articles of Association in substitution for and to the exclusion of the Existing Memorandum and Articles of Association. Details are set out in the Company's announcement dated 23 September 2026.

USE OF NET PROCEEDS FROM THE LISTING

The Shares were listed on GEM of the Stock Exchange on 9 December 2019. The proceeds received from the issuance of 150 million ordinary shares by share offer at HK\$0.40 per offer share was HK\$60,000,000. As set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 25 November 2019 (the “**Prospectus**”), the net proceeds after deduction of underwriting fees and related listing expenses were approximately HK\$28,000,000 (the “**Net Proceeds from the Listing**”).

Up to 30 June 2026, the Net Proceeds from the Listing had been applied as follows:

Business Strategies	Planned use of the Net Proceeds HK\$'000	Actual amount utilised up to 30 June 2026 HK\$'000	Unutilised Net Proceeds up to 30 June 2026 HK\$'000
Implement cloud-based data content management solution	4,615	4,615	–
Acquire additional hardware and software to provide cloud-based internet security services	11,012	11,012	–
Establish a disaster recovery centre and a backup data centre and becoming a holder of network service provider license	6,267	6,267	–
Establish a branch office in Kuala Lumpur ⁽¹⁾	1,413	1,116	297
Expand and strengthening our manpower to cater for the anticipated expansion plans	2,645	2,645	–
Promote our business to capture more market share in the industry	2,048	2,048	–
	28,000	27,703	297

Note (1) As for the establishment of a branch office in Kuala Lumpur, the unutilised portion amounted to approximately HK\$297,000 as at 30 June 2026 due to lower-than-expected office rent for the branch office in Kuala Lumpur, the Group plans to use the unutilised portion to rent the branch office in Kuala Lumpur by 30 June 2027.

All utilised Net Proceeds from the Listing were utilised in the same manner as specified in the section headed “Future Plans and Use of Proceeds” set out in the Prospectus.

As at 30 June 2026, the Net Proceeds from the Listing of approximately HK\$297,000 had not yet been utilised as planned (the “**Unutilised Net Proceeds from the Listing**”), which will be applied on the business strategy “Establish a branch office in Kuala Lumpur”. There is no intention of the management to change the use in the Unutilised Net Proceeds from the Listing.

All the Unutilised Net Proceeds from the Listing have been placed in a licensed bank in Malaysia.

USE OF PROCEEDS FROM THE 1ST PLACING AND THE 2ND PLACING

On 11 April 2024, the Company issued 120,000,000 Shares by way of placing under general mandate of the Company, at the placing price of HK\$0.218 per new Share (the “**1st Placing**”). The placing price of HK\$0.218 per placing Share represents: (i) a discount of approximately 19.26% to the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on 22 March 2024, being the last full trading day prior to the date of the placing agreement entered into between the Company and the placing agent in relation to the 1st Placing dated 24 March 2024 (the “**1st Placing Agreement**”); and (ii) a discount of approximately 15.63% to the average closing price of approximately HK\$0.2584 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the 1st Placing Agreement. The Net Proceeds from the 1st Placing after deducting related expenses were approximately HK\$25,624,000.

On 26 March 2025, the Company issued 36,504,000 Shares by way of placing under general mandate of the Company, at the placing price of HK\$0.41 per new Share (the “**2nd Placing**”). The placing price of HK\$0.41 per placing Share represents: (i) a discount of approximately 19.61% to the closing price of HK\$0.510 per Share as quoted on the Stock Exchange on 12 March 2025, being the date of the placing agreement entered into between the Company and the placing agent in relation to the 2nd Placing (the “**2nd Placing Agreement**”); and (ii) a discount of approximately 18.97% to the average closing price of approximately HK\$0.506 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the 2nd Placing Agreement. The Net Proceeds from the 2nd Placing after deducting related expenses were approximately HK\$14,578,000.

Up to 30 June 2026, the Net Proceeds from the 1st Placing and the Net Proceeds from the 2nd Placing had been applied as follows:

	Planned use of the Net Proceeds from the 1 st Placing HK\$'000	Planned use of the Net Proceeds from the 2 nd Placing HK\$'000	Planned use of the Net Proceeds from the 1 st Placing and the Net Proceeds from the 2 nd Placing HK\$'000	Actual amount utilised up to 30 June 2026 HK\$'000	Unutilised Net Proceeds from the 1 st Placing and the Net Proceeds from the 2 nd Placing up to 30 June 2026 HK\$'000
Funds for application of the licenses regarding the operation of virtual assets trading platform	15,600	14,578	30,178	16,885	13,293
General working capital of the Group	10,024	–	10,024	5,571	4,453
	25,624	14,578	40,202	22,456	17,746

As at 30 June 2026, the Net Proceeds from the 1st Placing and Net Proceeds from the 2nd Placing of approximately HK\$17,746,000 had not yet been utilised as planned (the “**Unutilised Net Proceeds from the 1st Placing and the 2nd Placing**”), which is expected to be fully utilised by 30 June 2027. All of the Unutilised Net Proceeds from the 1st Placing and the 2nd Placing have been placed in a licensed bank in Hong Kong.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is susceptible to material risks associated with the Group’s business. The Board acknowledges its responsibilities for the establishment and maintenance of adequate and effective risk management and internal control systems to safeguard the Group’s assets against unauthorised use or disposition, and to protect the interests of the Shareholders. Such systems are designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is the highest level of our risk management and internal control structure. It is ultimately responsible for establishing an effective risk management environment. Its responsibilities include:

- developing the overall risk management targets, risk management policies and internal control systems;
- optimising the governance structure and authorisation hierarchy;
- guiding and defining the limits for specific risk management work; and
- authorising responsibilities to other departments.

Based on the risk assessments conducted during the Year, the details of significant risks and the relevant risk responses are highlighted as follow:

Risk			
Risk Categories	Risk Title	Risk Description	Risk Response
Strategic	Failure to anticipate and respond to changes in technologies or consumers' needs could adversely affect the Group's business	This is a high-level and corporate-wide risk, which include market risk and the threat of substitutes.	The changes in technologies or needs is not controllable. The Group can only closely monitor the technical advancements to mitigate the risks at the current stage. The Group has developed new sources of income, including income in the E-Commerce business, Secure Cloud Service and Data Content Management Hub to diversify the concentration risk of the traditional network support services. In addition, the Group has developed online game IP authorisation management services, sales of social media exposure as well as exploring blockchain technology service and AI sectors in these years.
Economic	Impact on the Group's performance due to any downturn in economic conditions	A possible source of loss that might arise from less demand on the Group's products and services, and higher bad debts may also arise as a result of customers/business partners' inability to repay debts.	The Group regularly reviews forward looking indicators to identify economic conditions and adjust its business strategies promptly.

MANAGEMENT DISCUSSION AND ANALYSIS

Risk				
Categories	Risk Title		Risk Description	Risk Response
Operational	Shortage of technical expertise		A possible source of loss that might arise from unstable supply of technical expertise. Projects that require specific skills are more susceptible to technical expertise shortage.	The Group has offered benefit packages to enhance non-monetary benefits such as healthcare, wellness programs, and professional development opportunities to employees to maintaining employees' satisfaction. The Group will implement skill development and training program to address the shortage of technical expertise.
	Failures of information technology systems		A possible source of loss that might arise from the interruption of the operation of the Group and potential leakage of confidential information.	All computer systems of the Group are secured with access controls, while maintenance and update are conducted regularly by information technology department of respective subsidiary of the Group or the information technology services providers. Staff handbook has also been distributed to every employee, all employees are required to follow the staff handbook strictly to avoid any employee misconduct or fraud.
	Dependent on major customers for a significant portion of our business and the loss of any of such customers could materially and adversely affect our business and financial position		A possible source of loss that might arise from the loss of key customers.	The Group has conducted various marketing activities to attract potential and existing customers. The goal of this promotion strategy in marketing is to increase market awareness and to establish long-term relationship with the customers. The Group has developed new services such as online game IP authorisation management services and sales of social media exposure to attract more business from current and potential customers. In addition, the Group is exploring blockchain technology service and AI sectors to further diversify its customer base.

Risk

Risk Categories	Risk Title	Risk Description	Risk Response
	The Group business comprises contracts and we may be unable to secure new contracts	A possible source of loss that might arise from the inability to secure new contracts.	To attract new contracts, the Group has broadened its product and services offerings, introduced various marketing activities, and provided customised solutions to the customers.
Liquidity	The Group is exposed to payment delays and/or defaults by our customers	Payment delays and/or defaults may lead to liquidity issues in the Group's working capital.	The Group generally does not provide a long credit period to new customers unless they are multi-national enterprises with good reputation. In some instances, the Group may also require customers to provide a personal guarantee for such credit limit. To collect overdue trade receivables, the Group monitors overdue payments closely.
Financial	The capital expenditure of our Group for the purchase of hardware may result in an increase in our depreciation expenses	Additional depreciation expenses may adversely affect our financial performance in the future.	The Group will also consider to lease the equipment if lease is more beneficial than purchase.

The Board has periodically reviewed the key risk areas and appropriate risk mitigation strategies. Overall, the Board considers the risk management and internal control systems of the Group are effective and adequate. The Board will continue to assess the effectiveness and adequacy of risk management and internal control systems.

Further descriptions of the Group's financial risk (including interest rate risk, foreign currency risk, credit risk, and liquidity risk), management objectives and policies are set out in Note 32 to the consolidated financial statements.

There were no material difference in the identified risks between the Year and the Prior Year. An analysis of the Group's performance during the Year using financial key performance indicators is set out in the section headed "Financial Summary" and "Management, Discussion and Analysis" of this report.

* *English translation for identification purpose only.*

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Yu Decai (余德才), aged 52, has been appointed as an Executive Director of the Company on 21 July 2021, and has been subsequently appointed as (i) the chairman of the Board (the “**Chairman**”); (ii) the chief executive officer of the Company (the “**CEO**”); (iii) a member of nomination committee of the Company (the “**Nomination Committee**”); (iv) a member of the remuneration committee of the Company (the “**Remuneration Committee**”); and (v) one of the authorised representatives of the Company (the “**Authorised Representative**”) on 20 May 2022. With effect from 20 November 2025, he resigned as the Chief Executive Officer. Mr. Yu is responsible for the overall business strategy and major business decision of the Group.

Mr. Yu graduated from the Shanghai Institute of International Economic and Technical Education with a Bachelor’s Degree in Management and holds the qualification as a qualified funds practitioner which was granted by the Asset Management Association of China. He has more than 15 years of experience in technologies, media and telecommunications sector investment, corporate strategic management, project management, investment business and funds management. For February 2021 to December 2024, Mr. Yu was appointed as the chairman of board of supervisors of Shenzhen Sunrise New Energy Co., Ltd.* (深圳市兆新能源股份有限公司, a company listed on the Shenzhen Stock Exchange, stock code: 002256) (“**Shenzhen Sunrise**”).

Currently, Mr. Yu is a director of Hong Kong Worldtone Riches Fund Management Limited.

Mr. Tian Jia (田甲) (“Mr. Tian”), aged 39, has been appointed as an Executive Director of the Company on 30 March 2026. Mr. Tian is responsible for the overall business strategy and major business decision of the Group.

Mr. Tian has approximately 15 years of experience in software engineering and technology, and with extensive expertise in virtual asset investment. He has been a shareholder of iFinex, Inc. since 2016. iFinex, Inc. is a British Virgin Islands incorporated company with limited liability, which owns and operates the Bitfinex cryptocurrency exchange.

Mr. Tian worked as a software engineer at Baidu.com in 2011, at Beijing OneBoxTech Inc.* (北京一盒子科技有限公司) from 2011 to 2013, and at Alibaba Group’s Beijing branch from 2013 to 2015. From 2015 to 2017, he served as chief technology officer and partner at Beijing Caifuhanshu Technologies LLC* (北京財富函數科技有限公司), a personal financing startup. Between 2017 and 2022, Mr. Tian was offered a venture partner position at Zhenfund (真格基金), where he contributed to investments in technology companies. Mr. Tian served as an advisor at Antpool, a leading cryptocurrency mining platform from 2022 to 2023.

Mr. Tian obtained his Bachelor’s degree in Engineering from Tsinghua University (清華大學), Chinese Mainland in July 2008, and subsequently obtained a Master’s degree in Computer Science from the same university in January 2011.

NON-EXECUTIVE DIRECTOR

Ms. Jin Yangyang (金洋洋) (“Ms. Jin”), aged 40, has been appointed as a Non-executive Director on 4 December 2023. She is a member of the audit committee of the Company (the **“Audit Committee”**).

Ms. Jin obtained a Bachelor Degree in Engineering from Sichuan Agricultural University in June 2008. She successively founded Beijing Jin Yangyang Culture Media Co., Ltd.* (北京金洋洋文化傳媒有限公司, **“Beijing Jin Yangyang Culture”**), Beijing Huafeng Guanke Advertising Media Co., Ltd.* (北京華風冠科廣告傳媒有限責任公司, **“Beijing Huafeng”**) and Shenzhen Bit Angel Technology Co., Ltd.* (深圳比特天使科技有限公司, **“Shenzhen Bit Angel”**). Ms. Jin served as the managing director of Beijing Jin Yangyang Culture from 2013 to 2019, the legal representative of Beijing Huafeng from 2014 to 2019, as well as the executive director and the general manager of Shenzhen Bit Angel from 2017 to 2019. From 2019 to 2020, she served as the innovation director at Robo Terra Inc., a robotics education course company in Silicon Valley, the USA. From 2020, Ms. Jin has served as the operations director of Beijing Jingrun Technology Co., Ltd.* (北京淨潤科技有限公司), a company engaged in technology promotion business.

Ms. Jin has long been committed worldwide to the research and development and promotion of blockchain technology. In 2013, Ms. Jin established Yangyang Fang Tan* 《洋洋訪談》, one of the earliest Bitcoin we-media programmes in China. Through Yangyang Fang Tan, Ms. Jin interviewed and recorded most early Bitcoin investors and blockchain industry entrepreneurs. Ms. Jin has made considerable contributions to the widespread dissemination of the concepts of blockchain technology and cryptocurrency.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ng Der Sian (黃德祥) (“Mr. Ng”), aged 54, has been appointed as an Independent Non-executive Director on 20 May 2022. He is the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee.

Mr. Ng graduated from Nanyang Technological University in 1996 with a Bachelor’s Degree in Accountancy. Mr. Ng has involved in the finance and capital market industry for more than 29 years, having started his career at Arthur Andersen with his last position as audit assistant manager in November 2000. From October 1997 to March 1999, Mr. Ng was appointed as credit analyst & marketing senior officer in OCBC Bank Singapore. From November 2000 to June 2003 and from July 2003 to November 2004, he served as a project controller & risk manager in Cap Gemini Ernst & Young and financial planning & analysis manager in GE Consumer Finance, a unit of General Electric Company. Mr. Ng is one of the founding partners of EV Capital Limited, a capital market consultancy company which incorporated in BVI, and worked as the director from December 2004 to December 2016. Mr. Ng is also the founder of One Investments & Consultancy Limited, a capital market consultancy company which incorporated in BVI, and has served as director since March 2011.

Mr. Ng has also been appointed as a director in AMD Holding Pte Ltd, a private company in Singapore since 2012.

Mr. Tan Chenhui (譚晨輝) (“Mr. Tan”), aged 50, has been appointed as an Independent Non-executive Director on 1 June 2026. He is the chairman of the Remuneration Committee and a member of the Audit Committee.

Mr. Tan, has over 23 years of experience in business operations, internet technology, marketing, and corporate management. He has served as the general manager of Huabei Tianshi Company Limited* (“Huabei Tianshi”, 華北天時有限公司) since 2023. Huabei Tianshi is a company established in Chinese Mainland with limited liability and is principally engaged in software development, advertising and marketing, and technical services.

Prior to joining Huabei Tianshi, Mr. Tan accumulated extensive experience across research, internet platforms, business operations, investment management and technology companies. From 2001 to 2004, he worked at Horizon Research Consultancy Group (零點研究諮詢集團) as a senior analyst. From 2005 to 2006, Mr. Tan served as the head of operations at 360doc Personal Library* (360doc個人圖書館). From 2007 to 2008, Mr. Tan worked as a senior analyst at Yahoo China (雅虎中國). From 2009 to 2010, Mr. Tan served as the head of operations at HouseWeb (淘房網). From 2010 to 2015, Mr. Tan was the head of operations at Meituan.com (美團網). From 2015 to 2016, Mr. Tan acted as vice president of Beijing Penge Investment Management Co., Ltd.* (北京朋樂投資管理有限公司). From 2015 to 2021, Mr. Tan was the founder and general manager of Beijing Kenisi Network Technology Co., Ltd.* (北京科尼斯網絡科技有限公司). From 2021 to 2023, Mr. Tan served as the general manager of Beijing Wuxianji Technology Co., Ltd.* (北京無限極科技有限公司).

Mr. Tan obtained Bachelor's degree in Mechanical Design and Manufacturing from Southwest Petroleum University (西南石油大學) in Chinese Mainland in July 1998. Mr. Tan subsequently obtained a Master's degree in Management Science and Engineering from Southwest Petroleum University in September 2001, and a Master's degree in International Relations for Belt and Road Countries from Hong Kong Chu Hai College (香港珠海學院) in Hong Kong in August 2024.

Ms. Zheng Li Ping (“Ms. Zheng”), aged 50, has been appointed as an Independent Non-executive Director on 20 May 2022. She is the chairman of the Nomination Committee and a member of the Audit Committee.

Ms. Zheng graduated from Heriot-Watt University, Edinburgh, United Kingdom with a Bachelor's Degree in Estate Management in 2002. She also obtained a Master's Degree in Accounting from St. John's University, New York in 2006.

Ms. Zheng has involved in the finance industry for more than 19 years, having started her career at Deloitte & Touche LLP (New York) from September 2006 to August 2008 with her last position as senior auditor. From October 2008 to January 2010, Ms. Zheng was appointed as senior accountant in Medidata Solutions Inc, an American technology company. From March 2010 to March 2011, Ms. Zheng worked in Deloitte & Touche LLP (Singapore) with her last position as senior auditor. From April 2011 to May 2013 and from January 2014 to December 2015, she served as account manager in MOL Techno-Trade Asia Pte Ltd and finance manager in Abacus Capital (S) Pte Ltd. From June 2016 to November 2019, Ms. Zheng joined Chen Li Kindergarten in Singapore and worked as treasurer.

SENIOR MANAGEMENT

Mr. Su Di (蘇葑) (“Mr. Su”), aged 47, has been appointed as the CEO on 20 November 2025. Mr. Su is primarily responsible for leading the overall management, strategic direction and performance of the Group.

Mr. Su held the position of general manager at the Nanjing branch of 8848.com, one of the pioneering internet e-commerce companies in Chinese Mainland, from March 2003 to September 2005. Following this, from March 2006 to December 2010, Mr. Su served as director of the strategic investments department at ChinaCache International Holdings Ltd (a company listed on the Nasdaq, stock code: CCIH), a leading provider of internet content and application interaction services in Chinese Mainland. In 2011, Mr. Su co-founded the Garage Café (車庫咖啡) in Zhongguancun, Beijing, Chinese Mainland, which quickly became a prominent hub for tech entrepreneurs, including early-stage cryptocurrency developers. The Garage Café was recognised as an “Innovative Incubator (創新型孵化器)” by the Zhongguancun Administrative Committee and attracted on-site visits from distinguished officials such as Mr. Guo Shuqing, Chairman of the China Securities Regulatory Commission, and Mr. Guo Jinlong, Mayor of Beijing. In recognition of his contributions, Mr. Su was awarded the Beijing May Fourth Youth Medal in 2013 and the Beijing Model Worker Medal in 2015.

Mr. Chen Juhua (陳鉅樺) (“Mr. Chen”), aged 34, is the manager of investment department of the Group, and primarily responsible for the formulation, execution, and oversight of the Group’s investment strategies. Mr. Chen has joined the Group and has been appointed in current position in April 2025.

Mr. Chen graduated from Illinois Institute of Technology in April 2016 with a bachelor’s degree in science, and graduated from Columbia University in December 2019 with a master’s degree in management. He is certified by the Securities Association of China with a securities practice qualification and possesses 7 years of professional experience in emerging industries, new productivity, private equity and venture capital investment, private equity management, corporate management, and strategic development.

Prior to joining the Group, Mr. Chen served as assistant to the chairman of Shenzhen Sunrise from May 2016 to September 2018. He later held the position of equity risk management manager in the risk management department of China Merchants Securities Co., Ltd., from March 2021 to April 2025.

Mr. Hu Mingdai (胡命岱) (“Mr. Hu”), aged 44, has been appointed as a director of administrative affairs of the Group on 30 March 2026. Mr. Hu is primarily responsible for overseeing and coordinating administrative functions of the Group to ensure effective corporate governance, regulatory compliance and operational efficiency.

Mr. Hu graduated from Private Hualian College in Guangzhou, Chinese Mainland with major in Business English in June 2002. He obtained a securities practice qualification certificate from the Securities Association of China in April 2016 and the qualification as a qualified funds practitioner which was granted by the Asset Management Association of China in December 2016. Mr. Hu has more than 13 years of experience in fund investment and capital operation business in Chinese Mainland.

From October 2011, Mr. Hu has been appointed as a director of Shenzhen Worldtone Riches Fund Management Limited* (深圳滙通盈富基金管理有限公司, “**Shenzhen Worldtone**”). From June 2021, Mr. Hu has been further appointed general manager of Shenzhen Worldtone. From July 2021, Mr. Hu has been appointed as an authorised representative of Shenzhen Huitong Yingfu No. 1 Equity Investment Fund Partnership (Limited Partnership)*. From 20 May 2022 to 30 March 2026, Mr. Hu was appointed as an Executive Director of the Company, he was responsible for the overall business strategy and major business decision of the Group.

Mr. Zhou Shuyang (周舒揚) (“Mr. Zhou”), aged 42, is the head of administrative and human resources department of the Group, and primarily responsible for managing the administrative and human resources related planning, operations and issues of the Group. Mr. Zhou has joined the Group and has been appointed in current position in July 2022. He graduated from the Open University of China with a Bachelor of Accounting (Honours) Degree in July 2020.

Mr. Zhou has over 14 years of experience in the accounting, finance and administration industry. From April 2022 to August 2024, he was appointed as a director of capital market department of Shenzhen Sunrise. Mr. Zhou has been appointed as a manager of investment department of Shenzhen Worldtone and a director of Dongguan Better Electronic Technology Co., Ltd* (東莞市貝特電子科技股份有限公司) from August 2011 and March 2017, respectively.

COMPANY SECRETARY

Ms. Wong Po Lam (黃寶琳) (“Ms. Wong”), aged 36, has been appointed as a company secretary of the Company (the “**Company Secretary**”) and the Authorised Representative on 1 January 2021. She has approximately 14 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.

* *English translation for identification purpose only.*

The Directors are pleased to present this report and the audited consolidated financial statements of the Group for the year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is principally engaged in rendering of (i) network support services mainly encompassing network infrastructure design and hardware installation, network management and security services; (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services; (iii) E-Commerce services; and (iv) online game IP authorisation management services. The principal activities of the Company's principal subsidiaries are set out in Note 14 to the consolidated financial statements in this report.

BUSINESS REVIEW

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the section headed "Management Discussion and Analysis" of this report. This discussion forms part of this Report of the Directors.

USE OF NET PROCEEDS

Details of use of the Net Proceeds from the Listing, the Net Proceeds from the 1st Placing and the Net Proceeds from the 2nd Placing are set out in the section headed "Management Discussion and Analysis" of this report.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH LAW AND REGULATION

The Group is committed to conducting its business in an environmentally conscious manner and minimising the adverse effects caused by its operations on the environment. The Group is committed to regularly reviewing its environmental policy and will continually explore further environmentally friendly measures and practices to enhance operational sustainability.

The Board pays attention to the Group's policies and practices on compliance with all significant legal and regulatory requirements essential to its business operations. The Group has sought professional advice from its external legal advisers and consultants to ensure transactions and business to be performed by the Group are in compliance with applicable environmental policies, laws and regulations. During the year ended 30 June 2026, as far as the Company is aware, it has complied in all material respects of the laws or regulations that have a significant impact on the Group's business and operation.

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 71 to 103 of this report.

KEY RELATIONSHIPS WITH THE GROUP'S EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHER STAKEHOLDERS

The Group believes that employees are instrumental to the success of the Group and that their industry knowledge and understanding of the market will enable the Group to maintain the competitiveness in the market. The Group has developed a desirable working environment and provided a variety of benefits and career development to its employees. Share awards and share options may also be granted for the purpose of providing incentives and rewards to eligible participants who contributed to the success of the Group's operations.

The Group also recognises that maintaining a good and stable relationship with its current and potential customers, suppliers and other stakeholders are the keys to the sustainable development of the Group. Accordingly, the management has kept good communication with its suppliers and customers in order to monitor the credit quality of the customers and to make timely adjustments to its operating strategies to conform to the market trends. In addition, the Group places much effort to build up and maintain good relationships with various commercial banks and financial institutions as the businesses of the Group are capital intensive in nature and require on-going funding to maintain continuous growth.

For the year ended 30 June 2026, there was no serious and material dispute between the Group and its employees, customers and suppliers.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 June 2026 and the Group's financial position at that date are set out in the consolidated financial statements on pages 111 to 116 of this report.

The Board does not recommend the payment of a final dividend for the year ended 30 June 2026 (*2025: Nil*).

SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the section headed "Financial Summary" of this report. This summary does not form part of the audited consolidated financial statements.

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

During the year ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 30 June 2026 are set out in Note 15 to the consolidated financial statements.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 30 June 2026 are set in Note 23 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year ended 30 June 2026 are set out in Note 26 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 30 June 2026, the reserves of the Company available for distribution, as calculated in accordance with statutory provisions applicable in the Cayman Islands was approximately HK\$53,201,000 (2025: approximately HK\$67,074,000).

Details of the movements in the reserves of the Group and the Company during the year ended 30 June 2026 are set out in the consolidated statement of changes in equity and Note 27 to the consolidated financial statements, respectively.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 30 June 2026, sales to the Group's five largest customers accounted for approximately 70.2% (2025: approximately 69.4%) of the total revenue for the year and sales to the largest customer included therein amounted to approximately 25.9% (2025: approximately 42.6%). Purchases from the Group's five largest suppliers accounted for approximately 75.6% (2025: approximately 84.2%) of the total purchases for the year ended 30 June 2026 and purchases from the largest supplier included therein amounted to approximately 26.5% (2025: approximately 58.3%).

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) or any Shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers or suppliers.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Reference is made to the announcement of the Company dated 12 March 2025, prospect set out in the sections headed "Chairman's Statement" and "Chief Executive Officer's Review" of this report, the Group will continuously increase investment in the blockchain technology market and the ongoing licences application for trading of virtual assets, and exploration of strategic opportunities within the AI computing power sector.

Save for the above mentioned, the Group does not have future plans for material investments and capital assets as at 30 June 2026.

DIRECTORS

The Directors during the year ended 30 June 2026 and up to the date of this report were:

Executive Directors

Mr. Yu Decai
Mr. Tian Jia (*Appointed on 30 March 2026*)*
Mr. Hu Mingdai (*Resigned on 30 March 2026*)

Non-executive Director

Ms. Jin Yangyang

Independent Non-executive Directors

Mr. Ng Der Sian
Mr. Tan Chenhui (*Appointed on 1 June 2026*)*
Ms. Zheng Li Ping
Mr. Shen Haipeng (*Resigned on 1 June 2026*)

* Mr. Tian and Mr. Tan obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules on 26 March 2026 and 29 May 2026, 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.

The biographical details of the Directors are set out in section headed “Directors and Senior Management Profile” on pages 24 to 27 of this report.

Pursuant to Article 108(a) of the amended and restated articles of association of the Company (the “**Articles of Association**”), at every annual general meeting 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 shall be subject to retirement by rotation at an annual general meeting at least once every three years. Accordingly, Mr. Yu Decai and Mr. Ng Der Sian shall retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

Pursuant to Article 112 of the Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such annual general meeting. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting. Accordingly, Mr. Tian Jia and Mr. Tan Chenhui shall retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

The Company has received annual confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors are independent.

CHANGES OF DIRECTORS, COMPOSITION OF BOARD COMMITTEES AND SENIOR MANAGEMENT

Change of the CEO

On 20 November 2025, Mr. Yu Decai resigned and Mr. Su Di has been appointed as the CEO. Details on the change of the CEO are set out in the Company's announcement dated 19 November 2025.

Change of Executive Directors and Appointment of Senior Management

On 30 March 2026, Mr. Hu Mingdai resigned and Mr. Tian Jia has been appointed as an Executive Director. Following Mr. Hu's resignation, Mr. Hu has been appointed as a director of administrative affairs of the Group with effect from 30 March 2026.

Details on the change of Executive Directors and appointment of senior management are set out in the Company's announcement dated 30 March 2026.

Changes of Independent Non-Executive Directors and Composition of Board Committees

On 1 June 2026, Mr. Shen Haipeng ("**Mr. Shen**") resigned as an Independent Non-executive Director. Following Mr. Shen's resignation, Mr. Shen has ceased as the chairman of the Remuneration Committee and a member of the Audit Committee.

Mr. Tan Chenhui has been appointed as an Independent Non-executive Director with effect from 1 June 2026. In replacement of Mr. Shen's positions on the Board committees, Mr. Tan has also been appointed as the chairman of the Remuneration Committee and a member of the Audit Committee.

Details on the changes of Independent Non-executive Directors and composition of Board committees are set out in the Company's announcement dated 1 June 2026.

TERMS OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the Executive Directors has entered into a letter of appointment with the Company for a fixed term of three years from the date of appointment, which is subject to termination by either party giving not less than three months' written notice.

Each of the Non-executive Director and Independent Non-executive Directors has entered into a letter of appointment with the Company for a term of one year from the date of appointment and renewable automatically for successive term of one year each commencing from the day following the expiry of the then current term, terminated by either party giving not less than three month's written notice.

None of the Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

EMOLUMENTS OF THE DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The Directors' fees are subject to Shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group. Details of the emoluments of the Directors and five highest paid individuals during the year ended 30 June 2026 are set out in Notes 9 and 10 to the consolidated financial statements in this report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director or other officer of the Company shall be entitled to be indemnified out of the assets and profit of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto. The Board will periodically assess the situation and ensure that appropriate insurance coverage is arranged when necessary.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, neither a Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the holding company of the Company, or any of the Company's subsidiaries was a party during or at the end of the year ended 30 June 2026.

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 the year ended 30 June 2026.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

INTERESTS OF CONTROLLING SHAREHOLDERS IN CONTRACTS

Save as disclosed in Notes 9 and 29 to the consolidated financial statements in this report, there was no contract of significance between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries during or at the end of the year ended 30 June 2026.

Save as disclosed in this report, there was no other contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries during or at the end of the year ended 30 June 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provision of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to our Company and the Stock Exchange, were as follows:

(i) Long position in the ordinary Shares of the Company

Name of Director	Nature of interest and capacity	Number of shares held/ interested ⁽¹⁾	Approximate percentage of shareholding
Mr. Yu ⁽²⁾	Interests in controlled corporations	416,364,000(L)	55.04%

Notes:

- (1) The letter "L" demonstrates long position.
- (2) Mr. Yu beneficially owns the entire issued shares of Thrive Harvest Limited ("**Thrive Harvest**") and Worldtone Riches Investment Limited ("**Worldtone Riches**"). Thrive Harvest is a company incorporated in the British Virgin Islands ("**BVI**"), which in turn holds 303,864,000 Shares or approximately 40.17% of the issued share capital of the Company; and Worldtone Riches is a company incorporated in the BVI, which in turn holds 112,500,000 Shares or approximately 14.87% of the issued share capital of the Company. Therefore, Mr. Yu is deemed, or taken to be, interested in all the Shares held by Thrive Harvest and Worldtone Riches for the purpose of the SFO.

(ii) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporations	Capacity/Nature	Number of shares held	Approximate percentage of interest
Mr. Yu	Thrive Harvest	Beneficial owner	1 ordinary share	100%
	Worldtone Riches	Beneficial owner	100 ordinary shares	100%

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executive of the Company had registered an interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required 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 in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed “Directors’ and Chief Executive’s Interests and/or Short Positions in Shares, Underlying Shares and Debentures” above and in the paragraph headed “Share Schemes” below, at no time during the year ended 30 June 2026 were rights to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of the Company granted to any Director or their respective spouses or minor children, or were 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.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2026, the following persons held an interest or a short position in the Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follow:

Name of Shareholder	Nature of interest and capacity	Number of Shares held/ interested ⁽¹⁾	Approximate percentage of shareholding
Mr. Yu ⁽²⁾	Interest in a controlled corporation	416,364,000(L)	55.04%
Thrive Harvest ⁽²⁾	Beneficial owner	303,864,000(L)	40.17%
Worldtone Riches ⁽²⁾	Beneficial owner	112,500,000(L)	14.87%

Notes:

- (1) The letter “L” demonstrates long position.
- (2) Mr. Yu beneficially owns the entire issued shares of Thrive Harvest and Worldtone Riches. Therefore, Mr. Yu is deemed, or taken to be, interested in all the Shares held by Thrive Harvest and Worldtone Riches for the purpose of the SFO.

Save as disclosed above, as at 30 June 2026, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests and/or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE SCHEMES

Share Award Scheme

The Company has adopted a share award scheme (the “**Share Award Scheme**”) on 14 April 2023 (the “**Adoption Date**”) under the Shareholders’ approval by way of poll at the extraordinary general meeting of the Company on the Adoption Date (the “**EGM**”). The Share Award Scheme is effective upon obtaining the listing approval from the Stock Exchange on 21 April 2023. The terms of the Share Award Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the Share Award Scheme:

(A) Purpose

The purposes of the Share Award Scheme are:

- (a) to recognise the contributions by certain employees and persons to the Group;
- (b) to provide the Eligible Award Participants (as defined in the following paragraph) with additional incentives in order to retain them for the continual operation and development of the Group; and
- (c) to attract suitable personnel for further development of the Group.

(B) Duration

Subject to any early termination as may be determined by the Board pursuant to the rules set out therein relating to the Share Award Scheme (the “**Share Award Scheme Rules**”), the Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

(C) Trustee

Orient Securities Limited has been appointed by the Company as the initial trustee (the “**Trustee**”). To the best knowledge, information and belief of the Directors after making all reasonable enquiries, Orient Securities Limited and its ultimate beneficial owners are independent third parties of the Company.

(D) Eligible Award Participants

The following classes of participants are eligible for participation in the Share Award Scheme (the “**Eligible Award Participants**”):

- (a) Employee participant(s) including the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted awards under the Share Award Scheme (the “**Award**”) as inducement to enter into employment contracts with the Group); and
- (b) Service provider(s) including person(s) who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any member of the Group (where the continuity and frequency of their services are akin to those of employees of the Group), but exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services provider such as auditor or valuer (the “**Service Provider(s)**”),

provided that the Board may, from time to time, at its absolute discretion select any Eligible Award Participant to be a selected participant.

(E) Total Number of Shares Available for Issue

The maximum number of Shares which may be allotted and issued in respect of all Awards to be granted under the Share Award Scheme, all Options to be granted under the Share Option Scheme (as defined in the following section headed “Share Option Scheme” on pages 42 to 44 of this report), and the options and awards to be granted under any other share scheme(s) of the Company shall not in aggregate exceed 10% of the entire issued share capital of the Company as at the Adoption Date without the Shareholders’ approval (i.e. 60,000,000 Shares).

At the date of this report, a total of 60,000,000 Shares, representing 10% and approximately 7.9% of the issued share capital of the Company as at the Adoption Date and as at the date of this report, respectively, are available for issue under the Share Award Scheme and the Share Option Scheme.

(F) Maximum Entitlement of Each Eligible Award Participant

The maximum number of Shares which may be issued in respect of all Awarded Shares which may be granted at any time under the Share Award Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed such number of Shares as equals to 1% of the issued share capital of the Company as at the Adoption Date.

(G) Grant of Award to a Director, Chief Executive or Substantial Shareholder of the Company or Any of Their Associates

Any grant of Awards to any of the Directors, chief executive of the Company or substantial Shareholder(s) (as defined in the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Award (if any)).

Where any grant of Awards to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares transferred and to be transferred or allotted and issued and to be allotted and issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Awards must be approved by the Shareholders in a general meeting of the Company.

(H) Acceptance of Awards

No payment is required on acceptance of Awards.

(I) Timing

No Award shall be made or vested to the Eligible Award Participants pursuant to the Share Award Scheme Rules and no directions or recommendation shall be given to the Trustee with respect to granting or vesting of an Award or any acquisition, receipt or disposal of or dealing in Shares under the Share Award Scheme after inside information has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the GEM Listing Rules.

(J) Vesting Period

Save for the circumstances prescribed in the Share Award Scheme, the vesting period of the Awards shall not be less than 12 months in general. However, the Board (or the Remuneration Committee where it relates to grants of the Awards to an Employee Participant who is a Director and/or senior manager of the Company) will have a discretion in allowing a shorter vesting period to an Employee Participant in the certain circumstances.

For more details on the Share Awards Scheme, please refer to Appendix I to the circular of the Company dated 16 March 2023 (the “**Circular**”). No Award has been granted, exercised, cancelled or lapsed under the Share Award Scheme since the Adoption Date and at the date of this report.

Share Option Scheme

The Company has terminated the share option scheme was approved and adopted by the Shareholders by way of written resolutions passed on 11 November 2019 and has adopted a new share option scheme (the “**Share Option Scheme**”) on the Adoption Date under the Shareholders’ approval by way of poll at the EGM. The Share Option Scheme is effective upon obtaining the listing approval from the Stock Exchange on 21 April 2023. The terms of the Share Option Scheme are in compliance with the provisions of Chapter 23 of the GEM Listing Rules. The following is a summary of the principal terms of the Share Option Scheme:

(A) Purpose

The purpose of the Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive to the Eligible Option Participants (as defined in the following paragraph) and to promote the success of the business of the Group. The Share Option Scheme will give the Eligible Option Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Option Participants in optimising their performance and efficiency and attract and retain the Eligible Option Participants whose contributions are important to the long-term growth and profitability of the Group.

(B) Duration

Subject to any early termination as may be determined by the Board pursuant to the rules set out therein relating to the Share Option Scheme as amended from time to time, the Share Option Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date.

(C) Eligible Option Participants

The following classes of participants are eligible for participation in the Share Option Scheme (the “**Eligible Option Participants**”):

- (a) Employee participant(s) including the director(s) and employee(s) (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the Share Option Scheme as inducement to enter into employment contracts with the Group); and
- (b) The Service Provider(s)

provided that the Board may, from time to time, at its absolute discretion select any Eligible Option Participant to be a selected participant.

(D) Total Number of Shares Available for Issue

The maximum number of Shares which may be allotted and issued in respect of all Awards and Options to be granted under the Share Award Scheme and the Share Option Scheme, respectively, and the options and awards to be granted under any other share scheme(s) is 60,000,000 Shares.

At the date of this report, a total of 60,000,000 Shares, representing 10% and approximately 7.9% of the issued share capital of the Company as at the Adoption Date and as at the date of this report, respectively, are available for issue under the Share Award Scheme and the Share Option Scheme.

(E) Maximum Entitlement of Each Eligible Option Participant

Where any grant of Options to an Eligible Option Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Option Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such Eligible Option Participant and his/her close associates (or associates if the Eligible Option Participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Option Participant, the number and terms of any option(s) to be granted to Eligible Option Participant(s) to subscribe for new Share(s) under the Share Option Scheme (the “**Option**”) to be granted (and options previously granted to such Eligible Option Participant in the twelve (12)-month period), the purpose of granting Options to the Eligible Option Participant, an explanation as to how the terms of the Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of Options to be granted to such Eligible Option Participant must be fixed before Shareholders’ approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(F) Grant and Acceptance of Options

The Board shall, subject to the Share Option Scheme Rules and the GEM Listing Rules, be entitled (but shall not be bound) at any time and from time to time on any Business Day within a period of ten (10) years commencing on the Adoption Date to make an offer for the grant of the Option to such Eligible Option Participant as it may in its absolute discretion select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to maximum number of Shares available for issue, determine the subscription price, provided that no such grant shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or the Directors of any applicable securities laws and regulations in any jurisdiction.

(G) Acceptance of Options

An offer shall be deemed to have been accepted by an Eligible Option Participant concerned in respect of all Shares which are offered to such Eligible Option Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Option Participant with the number of Shares in respect of which the offer is accepted as stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company.

The offer shall remain open for acceptance by the Eligible Option Participant for a period of twenty one (21) days inclusive of, and from the offer date provided that no such offer shall be open for acceptance after the earlier of the close of business of the Company on the date which falls ten (10) years after the Adoption Date or the termination of the Share Option Scheme.

(H) Vesting Period

Save for the circumstances prescribed in the Share Option Scheme, the Option must be held by the grantee for at least twelve (12) months before the Option can be exercised.

(I) Subscription Price of Shares

The subscription price for Shares to be subscribed under the Share Option Scheme may be determined by the Board at its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a business day;
- (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) consecutive business days immediately preceding the offer date; and
- (c) the nominal value of the Share on the offer date.

(J) Time of Exercise of the Option

Subject to the terms of the Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the Grantee thereof at the time of making an Offer provided that such period shall not exceed the period of ten (10) years from the date of the grant of the particular Option but subject to the provisions for early termination of the Share Option Scheme.

For more details on the Share Option Scheme, please refer to Appendix II to the Circular. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the Adoption Date and at the date of this report.

As at 1 July 2025 and 30 June 2026, the service provider sublimit, which was available for grant under the Share Award Scheme and the Share Option Scheme, was 6,000,000 Shares, being 1% of the issued share capital of the Company as at the Adoption Date.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of Cayman Island which oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

EQUITY-LINKED AGREEMENTS

During the year ended 30 June 2026, save for the Share Award Scheme and the Share Option Scheme as set out in the section headed “Share Schemes” on pages 39 to 44 of this report, the Company did not enter into any equity-linked agreements in respect of the Shares.

DEBENTURE

No debenture was issued by the Company during the year ended 30 June 2026 and 2025.

COMPETING INTERESTS

During the year ended 30 June 2026, so far as the Directors are aware, none of the Directors, controlling shareholders or substantial shareholders of the Company, neither themselves nor their respective close associates (as defined under the GEM Listing Rules) had held any position or had interest in any businesses or companies that were materially competing or might materially compete with the business of the Group, or gave rise to any concern regarding conflict of interest.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken by the Group during the year ended 30 June 2026 are set out in Note 29 to the consolidated financial statements in this report. Save for the service fee incurred from a related company and Shareholder's Loan Agreements mentioned below, none of the related party transactions constitutes a connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS

During the year ended 30 June 2026, the Group has not conducted any "connected transaction" or "continuing connected transaction" (as defined under Chapter 20 of the GEM Listing Rules) which is subject to reporting and annual review requirements under the GEM Listing Rules. It is confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

Shareholder's Loans to the Group

During the year ended 30 June 2026, the Group's subsidiaries and Thrive Harvest entered into Shareholder's loan agreements (the "**Shareholder's Loan Agreements**"), pursuant to which Thrive Harvest agreed to provide unsecured, interest-free loans to the Group's subsidiaries in the amounts specified in each respective Shareholder's Loan Agreement (the "**Shareholder's Loans**"). The Shareholder's Loans are exempted from reporting, announcement and Shareholders' approval requirements under Rule 20.88 of the GEM Listing Rules as the Shareholders' Loans are provided by Thrive Harvest on normal commercial terms or better and no security is granted over the assets of the Group in respect of the Shareholder's Loans.

Details of the Shareholder's Loan Agreements are set out as below:

Shareholder's Loan Agreement	From	To	Loan amount HK\$'000	Shareholder's Loan as at 30 June 2026 HK\$'000
1	18 November 2024	17 November 2025	12,757	–
2	24 December 2024	23 December 2025	24,000	–
3	3 July 2024	2 July 2025	3,000	–
4	1 January 2025	31 December 2025	9,000	–
5	1 January 2025	31 December 2025	1,800	–
6	10 January 2025	30 December 2025	2,500	–
7	30 December 2025	29 December 2026	15,000	14,579
			68,057	14,579

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held by the Company during the year ended 30 June 2026, nor were there any material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 30 June 2026.

DONATION

During the year ended 30 June 2026, the Group made donation of approximately HK\$17,000 (2025: approximately HK\$212,000).

REVIEW BY THE AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 30 June 2026 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 30 June 2026 comply with applicable reporting standards, the GEM Listing Rules, and that adequate disclosures have been made.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company had received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considered all of the Independent Non-executive Directors are independent.

EVENTS AFTER THE REPORTING PERIOD

Details of the events after the reporting period of the Group are set out in section headed "Management Discussion and Analysis - Events After Reporting Period" in this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there has been a sufficient public float of the Shares as required under the GEM Listing Rules (i.e. at 25% of the issued shares in public hands throughout the year ended 30 June 2026 and up to the date of this report).

AUDITOR

The consolidated financial statements of the Company for the years ended 30 June 2026 and 2025 have been audited by independent auditor, Forvis Mazars CPA Limited (“**Forvis Mazars**”), who will retire, and being eligible, offer themselves for re-appointment. A resolution for Forvis Mazars’s re-appointment as the independent auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

2026 AGM AND CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to attend and vote at the 2026 AGM on Thursday, 12 November 2026, the register of members of the Company will be closed from Monday, 9 November 2026 to Thursday, 12 November 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. Shareholders are reminded to ensure all properly executed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 pm on Friday, 6 November 2026. The record date for the purpose of determination of entitlement to attend and vote at the 2026 AGM is Thursday, 12 November 2026.

FORWARD LOOKING STATEMENTS

This report contains forward looking statements with respect to the financial conditions, results of operations and business of the Group. These forward looking statements represent the Company’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

APPRECIATION

The Group’s continued success depends on all its staff’s commitment, dedication and professionalism. The Board would like to thank every member of staff for their diligence and dedication and to express its sincere appreciation to our Shareholders, clients and suppliers for their continuous and valuable support.

On behalf of the Board

Yu Decai

Chairman

Hong Kong, 23 September 2026

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Pursuant to Rule 18.44 of the GEM Listing Rules, the Directors are pleased to present this corporate governance report for the year ended 30 June 2026. This report highlights the key corporate governance practice of the Company.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to ensuring the Company adhere to a good standard of corporate governance.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted and applied the principles as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the GEM Listing Rules as the basis of the Company’s corporate governance practices.

During the year ended 30 June 2026, to the best knowledge of the Board, the Company has complied with all the applicable code provisions as set out in the CG Code, except for C.2.1 described in the paragraph headed “Board of Directors – Chairman and Chief Executive Officer” on page 50 of this report.

CORPORATE PURPOSE, VALUE AND STRATEGY

With the purpose to become one of the influential enterprise and preferred value-added partner in the Group’s businesses as well as exploring potential business development with an aim to maximise the value for the Shareholders, the Board has established that the Group’s core values are (i) integrity and transparency; (ii) innovation; (iii) diversity; (iv) respect; and (v) foresight, which create a positive and progressive culture for the Group to achieve its purpose and to maintain a long-term sustainable growth.

To embrace the core values to achieve the Company’s purpose, the Group also deliver message to employees with regular evaluation to encourages employees to work with the core values of the Company. The human resources department interviews and selects employees who would most likely fit in and foster the Company’s culture. Further, staff handbook and staff training also serve as a guideline to promote the Company’s value and culture. The Group believes all employees are our valuable assets.

Details of the Group’s strategy to fulfill and achieve its purpose are set out in section headed “Business Review” in this report. The Board reviews the implementation and strategic planning in support of its purpose annually.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standards of dealings (the “**Required Standard of Dealings**”) set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors.

Specific enquiry has been made of all the Directors and all Directors have confirmed that they have complied with the Required Standard of Dealings throughout the year ended 30 June 2026.

The Company has also adopted the Required Standard of Dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its written guidelines (the “**Employees Written Guidelines**”) in respect of securities dealings by relevant employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which oversees the Group’s businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

The Board currently comprises six Directors, consisting of two Executive Directors, one Non-executive Director and three Independent Non-executive Directors.

The composition of the Board during the year ended 30 June 2026 and up to the date of this report is set out as follows.

Executive Directors

Mr. Yu Decai
 Mr. Tian Jia (*Appointed on 30 March 2026*)
 Mr. Hu Mingdai (*Resigned on 30 March 2026*)

Non-executive Director

Ms. Jin Yangyang

Independent Non-executive Directors

Mr. Ng Der Sian
 Mr. Tan Chenhui (*Appointed on 1 June 2026*)
 Ms. Zheng Li Ping
 Mr. Shen Haipeng (*Resigned on 1 June 2026*)

To the best knowledge of the Board, there are no other relationship (including financial, business, family, and other material/relevant relationships) among the members of the Board as of the date of this report.

The biographical information of the Directors are set out in the section headed “Directors and Senior Management Profile” in this report.

Chairman and Chief Executive Officer

Code provision C.2.1 of the CG Code stipulates that the role of the Chairman and the Chief Executive Officer 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 July 2025 to 19 November 2025, Mr. Yu served as roles of the Chairman and the CEO. It is considered that he has more than 15 years of experience in technologies, media and telecommunications sector, corporate strategic management, project management, investment business and fund management 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. Yu taking up both roles.

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

On 20 November 2025, Mr. Su has been appointed as the CEO. Upon the appointment of Mr. Su, the Company has complied with all applicable code provisions of the Code. Details on the change of the CEO are set out in the Company's announcement dated 19 November 2025.

Independent Non-executive Directors

During the year ended 30 June 2026, the Board at all times met Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors representing more than one-third of the Board, with at least one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the Independent Non-executive Directors in respect of their independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors are independent.

Appointment and Re-election of Directors

The Non-executive Director and Independent Non-executive Directors are appointed for a specific term of one year commencing from date of appointment and renewable automatically for successive term of one year each commencing from the day following the expiry of the then current term, subject to retirement by rotation and re-election at the forthcoming annual general meeting.

Pursuant to Article 108 of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Article 112 of the Articles of Association provides that all Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election at such annual general meeting.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including 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 Independent Non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses, for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

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 co-ordinating the daily operation and management of the Company are delegated to the management.

Board Meetings

The Board meets regularly at least 4 times each year at quarterly intervals and discusses the Group's business development, operations and financial performance. Additional meeting will be convened when considered necessary by the Board. Notice of at least 14 days is given to all Directors for a regular Board meeting so as to give all Directors an opportunity to attend. For all other board meetings, reasonable notice is generally given. Agenda and meeting materials for each meeting are normally circulated to all Directors at least 3 days before each Board meeting in order to allow the Directors to include any other matters in the agenda that are required for discussion and resolution in the meeting.

All Directors have full and timely access to all information and to the advice and services of the Company Secretary and senior management who are responsible for ensuring the compliance of the Company with the GEM Listing Rules and advising the Board on compliance matters. The Directors may, where appropriate, be provided with access to external professional advice in carrying out their obligations as Directors. Each Director is required to make disclosure of his/her interests or potential conflict of interest, if any, in any proposed transactions or issued discussed by the Directors at the Board and Board committees' meetings. Any Director shall not vote on any resolution of the Board and Board committees approving any contract or arrangement or any other proposal in which he/she (or his/her associate) is materially interested nor shall he/she be counted in the quorum present at the meeting.

The Directors use their best endeavor to ensure that minutes of all Board meetings and committees meeting are properly kept by the Company Secretary. All draft minutes of meetings of the Board and the respective Board committees are circulated to all Directors and Board committee members for comments within a reasonable time before submission to the chairmen of the meetings for approval and the final versions are open for inspection by the Directors.

Four Board meetings were held throughout the year ended 30 June 2026. Details of the Directors' attendance record of the Board meetings are set out as follow:

Name of Directors	Attendance/ Number of meetings held
Executive Directors	
Mr. Yu Decai (<i>Chairman</i>)	4/4
Mr. Tian Jia (<i>Appointed on 30 March 2026</i>)	1/1
Mr. Hu Mingdai (<i>Resigned on 30 March 2026</i>)	3/3
Non-executive Director	
Ms. Jin Yangyang	4/4
Independent Non-executive Directors	
Mr. Ng Der Sian	4/4
Mr. Tan Chenhui (<i>Appointed on 1 June 2026</i>)	1/1
Ms. Zheng Li Ping	4/4
Mr. Shen Haipeng (<i>Resigned on 1 June 2026</i>)	3/3

The Board is responsible for maintaining an ongoing dialogue with the Shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The Board notes that the Chairman and the chairmen or, in their absence, other members of the Audit Committee, the Nomination Committee and the Remuneration Committee should attend the annual general meeting to answer questions and collect views of the Shareholders.

One general meeting was held throughout the year ended 30 June 2026. Details of the Directors' attendance record of the general meeting are set out below:

Name of Directors	Attendance/ Number of meetings held
Executive Directors	
Mr. Yu Decai (<i>Chairman</i>)	1/1
Mr. Tian Jia (<i>Appointed on 30 March 2026</i>)	N/A
Mr. Hu Mingdai (<i>Resigned on 30 March 2026</i>)	1/1
Non-executive Director	
Ms. Jin Yangyang	1/1
Independent Non-executive Directors	
Mr. Ng Der Sian	1/1
Mr. Tan Chenhui (<i>Appointed on 1 June 2026</i>)	N/A
Ms. Zheng Li Ping	1/1
Mr. Shen Haipeng (<i>Resigned on 1 June 2026</i>)	1/1

Continuous Professional Development of Directors

The Company is committed to ensuring that Directors continually update their knowledge and skills to fulfil their responsibilities effectively and to contribute to the long-term success of the Group. During the year ended 30 June 2026, all Directors participated in continuous professional development (“CPD”) programmes covering topics prescribed under the GEM Listing Rules, including directors' duties and responsibilities, listing rules and regulatory updates, corporate governance and ESG matters, risk management and internal controls and industry-specific developments.

During the year ended 30 June 2026, Directors received training through reading regulatory updates, legal and professional publications and other self-study materials relevant to the Directors' duties and the Group's activities. In coming years, the Group will also arrange external professional seminars, conferences and training courses to Directors.

The Company has maintained training records for all Directors and has obtained confirmations from each Director regarding their participation in CPD activities during the reporting period. The Board is satisfied that all Directors have complied with the applicable CPD requirements under the Listing Rules throughout the year ended 30 June 2026. Details of the CPD training undertaken by each Director during the Year are set out below:

Name of Directors	Mode ⁽¹⁾	Topics Covered ⁽²⁾	Total Hours Completed
Executive Directors			
Mr. Yu Decai (<i>Chairman</i>)	Self-Study	T1, T2, T3, T4, T5	10
Mr. Tian Jia (<i>Appointed on 30 March 2026</i>) ⁽³⁾	Self-Study	T1, T2, T3, T4, T5	6
Mr. Hu Mingdai (<i>Resigned on 30 March 2026</i>)	Self-Study	T1, T2, T3, T4, T5	10
Non-executive Director			
Ms. Jin Yangyang	Self-Study	T1, T2, T3, T4, T5	10
Independent Non-executive Directors			
Mr. Ng Der Sian	Self-Study	T1, T2, T3, T4, T5	9
Mr. Tan Chenhui (<i>Appointed on 1 June 2026</i>) ⁽³⁾	Self-Study	T1, T2, T3, T4, T5	6
Ms. Zheng Li Ping	Self-Study	T1, T2, T3, T4, T5	10
Mr. Shen Haipeng (<i>Resigned on 1 June 2026</i>)	Self-Study	T1, T2, T3, T4, T5	9

Notes:

- (1) Self-study includes reading professional materials, regulatory industry updates and other relevant reference resources, online professional videos and podcasts.
- (2) T1 Roles, functions and responsibilities of the board, its committees, directors and board effectiveness
T2 The Company's obligations and directors' duties under Hong Kong law and the GEM Listing Rules, and legal and regulatory updates
T3 Corporate governance, ESG matters, sustainability, and climate-related risks and opportunities
T4 Risk management and internal controls
T5 Industry-specific developments, business trends, and strategies relevant to the Company
- (3) As newly appointed first-time directors of an issuer listed on the Stock Exchange, both Mr. Tian and Mr. Tan will complete a minimum of 24 hours of CPD training within 18 months of their appointment date, in accordance with Rule 5.02F of the GEM Listing Rules.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to the Shareholders upon request.

The list of the Chairman and members of each Board committee is set out under section headed "Corporate Information" on page 2 of this report.

Audit Committee

The Audit Committee has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules.

As at the date of this report, the Audit Committee consists of three Independent Non-executive Directors, namely Mr. Ng Der Sian, Mr. Tan Chenhui and Ms. Zheng Li Ping; and one Non-executive Director, namely Ms. Jin Yangyang. Mr. Ng Der Sian is the chairman of the Audit Committee. None of the members of the Audit Committee is a former partner of the existing external auditor of the Company, Forvis Mazars.

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 CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information, overseeing the financial reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control, or other matters of the Group.

Four Audit Committee meetings were held throughout the year ended 30 June 2026. Details of the members' attendance record of the Audit Committee meetings are set out as follow:

Name of members	Attendance/ Number of meetings held
Mr. Ng Der Sian (<i>Chairman</i>)	4/4
Ms. Jin Yangyang	4/4
Mr. Tan Chenhui (<i>Appointed on 1 June 2026</i>)	1/1
Ms. Zheng Li Ping	4/4
Mr. Shen Haipeng (<i>Resigned on 1 June 2026</i>)	3/3

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 the year ended 30 June 2025, the interim results and report for the six months ended 31 December 2025, the quarterly results for the three months ended 30 September 2025, the quarterly results for the nine months ended 31 March 2026, 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, improvements on the Group's internal and compliance control system and risk management functions.

On 23 September 2026, the Group's results for the year ended 30 June 2026 have been reviewed by the Audit Committee.

Remuneration Committee

The Remuneration Committee has written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the CG Code. As at the date of this report, the Remuneration Committee consists of three members, namely Mr. Tan Chenhui, Mr. Ng Der Sian and Mr. Yu Decai. Mr. Tan Chenhui is the chairman of the Remuneration Committee.

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 functions of the Remuneration Committee include determining/reviewing and making recommendations to the Board on the remuneration packages of individual Directors and senior management, the remuneration policy and structure for all Directors and senior management; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

One Remuneration Committee meeting was held throughout the year ended 30 June 2026. Details of the members' attendance record of the Remuneration Committee meeting are set out as follow:

Name of members	Attendance/ Number of meetings held
Mr. Tan Chenhui (<i>Chairman</i>) (<i>Appointed on 1 June 2026</i>)	N/A
Mr. Ng Der Sian	1/1
Mr. Yu Decai	1/1
Mr. Shen Haipeng (<i>Chairman</i>) (<i>Resigned on 1 June 2026</i>)	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 Directors.

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 9 and 10 to the consolidated financial statements. 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 the year ended 30 June 2026 is set out below:

Remuneration Band	Number of Executive Directors and the members of senior management
Nil to HK\$1,000,000	6
HK\$1,000,001 to HK\$1,500,000	–
HK\$1,500,001 to HK\$2,000,000	–
HK\$2,000,001 to HK\$2,500,000	–

Nomination Committee

The Nomination Committee, has written terms of reference in compliance with the CG Code. As at the date of this report, the Nomination Committee consists of three members, namely Mr. Ng Der Sian, Mr. Yu Decai and Ms. Zheng Li Ping. Ms. Zheng Li Ping is the chairman of the Nomination Committee.

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 principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors. In addition, the Nomination Committee also assists the Board in maintaining a Board skills matrix and the Board's performance, effectiveness and efficiency to ensure that the Board and Board Committees continue to discharge their duties and responsibilities effectively, and to identify areas of improvement.

In assessing the Board composition, the Nomination Committee will take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee will discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee will consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

One Nomination Committee meeting was held throughout the year ended 30 June 2026. Details of members' attendance record of the Nomination Committee meeting are set out as follow:

Name of members	Attendance/ Number of meetings held
Ms. Zheng Li Ping (<i>Chairman</i>)	1/1
Mr. Ng Der Sian	1/1
Mr. Yu Decai	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 of the Board;
- (ii) assessed the independence of the Independent Non-executive Directors;
- (iii) made recommendations on the retiring Directors at the annual general meeting 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 the Board diversity on selection of candidates for directorship of the Company.

Board Diversity Policy

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and considers increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage.

Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, experience, expertise, qualifications, skills and knowledge as well as length of service.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company’s business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

Measurable objectives include (i) at least one third of the Board shall be Independent Non-executive Directors; (ii) at least one Director is female; and (iii) at least one Director shall have obtained accounting or other professional qualifications. For the year ended 30 June 2026, all measurable objectives have been fulfilled. As at 30 June 2026, the Group had 63 employees (2025: 65) (including Executive Directors) in total comprising of 18 females and 45 males (2025: 16 females and 49 males), that is, a female-to-male ratio of approximately 0.40:1 (2025: approximately 0.33:1). We will continue with our endeavor to increase female representation in our workforce in order to achieve gender equality in the Group.

The Board and the Nomination Committee review the measurable objectives to ensure their appropriateness and continued effectiveness on a regular basis.

In determining the independence of Directors, the Board follows the requirements as set out in the GEM Listing Rules.

The Nomination Committee reviews the Board Diversity Policy on a regular basis to ensure its continued effectiveness.

As at the date of this report, the Board comprises four male Directors and two female Directors. The following tables illustrate the diversity other than gender diversity of the Directors:

Name of Directors	Age Group			
	35 to 40	41 to 45	46 to 50	51 to 55
Mr. Yu Decai				✓
Mr. Tian Jia	✓			
Ms. Jin Yangyang	✓			
Mr. Ng Der Sian				✓
Mr. Tan Chenhui			✓	
Ms. Zheng Li Ping			✓	

Name of Directors	Information Technology and Telecommunication	Professional Experience		
		Accounting and Finance	Blockchain Technology	Investment and Fund Management
Mr. Yu Decai	✓			✓
Mr. Tian Jia	✓			✓
Ms. Jin Yangyang			✓	
Mr. Ng Der Sian		✓		✓
Mr. Tan Chenhui	✓			
Ms. Zheng Li Ping		✓		

The Board has also reviewed and considered that the following mechanisms are effective during the year ended 30 June 2026 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;
- (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 of the 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.

Board Skills Matrix

In accordance with the code provision B.1.5 of the CG Code, the Board and the Nomination Committee have established and reviewed the Board skills matrix to evaluate the collective skills, knowledge and experience of the Board members. The Board and the Nomination Committee consider that current composition of the Board provides an appropriate mix of competencies, backgrounds and diversity that effectively supports the Company's purpose, long-term business strategy and corporate culture.

The table below summarises the collective skills mix and representation across the Board:

Skills Area	Description	Importance⁽¹⁾	Adequacy	Plans to address gaps/ expand skills⁽²⁾
Strategy	Ability to identify strategic opportunities and threats, whilst developing and implementing plans to achieve corporate objectives	E	Yes	C
Leadership	Ability to lead corporate teams and implement plans and policies	E	Yes	C
Industry knowledge and experience	Understanding of the Group's business daily operations, market development, competitors, technology and innovation	E	Yes	C, T
Financial literacy/business acumen	Ability to read and comprehend corporate accounts, financial materials and financial reporting requirements	E	Yes	C, T

Skills Area	Description	Importance ⁽¹⁾	Adequacy	Plans to address gaps/ expand skills ⁽²⁾
Risk management and compliance	Ability and experience in implementing, managing or overseeing risk management and internal control systems for legal and regulatory compliance	E	Yes	C, T & O
People management experience	Experience at a senior level with responsibilities for people management and successful implementation of change	E	Yes	C
Diversity (e.g. age, gender, culture)	Contribution to Board diversity in terms of gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service etc.	E	Yes	C
Emerging topics (e.g. AI)	Understanding and knowledge of emerging topics to ensure that the Company is forward-thinking	F	Yes	C, T & O
Qualifications	Formal qualifications in relevant fields to assist the Board in its decision-making, for example, accounting/finance, economics/business, law	E	Yes	C

Notes:

- (1) “E” = essential skills that should currently be in the Board’s possession
“F” = skills that should be acquired for future purposes/in light of anticipated emerging needs
“L” = skills that are not necessary or have a minor impact but are desirable or aspirational in nature
- (2) “C” = will closely monitor the changing situation and make corresponding adjustments as needed
“T” = training will be provided if needed
“O” = outsource this function to professional external consultants to assist the Management in monitoring and making suggestion when necessary

Board Performance Evaluation

The Company recognises that regular Board performance reviews are essential to maintaining high standards of corporate governance and enhancing the overall effectiveness of the Board. Board performance reviews are conducted at least every two years.

An external consultant firm, which is independent of the Company and the Directors, was engaged to evaluate the performance of the Boards for the year ended 30 June 2026, pursuant to the code provision B.1.4 of the CG Code.

The evaluation focused on the core pillars of an effective board, including: Board composition, skills and diversity; corporate culture and boardroom dynamics; Board practices and Board committees effectiveness; quality and timeliness of information; meeting conduct and decision-making; risk management and internal controls; and stakeholder accountability. The evaluation concluded that the Board and Board committees operate effectively and maintain a high standard of corporate governance. The Board and the Nomination Committee reviewed the Board performance evaluation report and agreed with its evaluation and action plans for continuous improvement.

Key Observations from the 2026 Board Performance Evaluation

The evaluation noted that the Board operates at a high level of overall effectiveness, with the following core strengths underpinning its performance:

- **Strong Ethics and Compliance:** A clear commitment to upholding high ethical standards and meeting all legal and regulatory responsibilities.
- **Clear and Open Information Flow:** Well-organised, concise Board materials with helpful executive summaries, paired with open, easy access to management and the Company Secretary.
- **A Collaborative Boardroom Culture:** A healthy “tone from the top” built on mutual trust and respect, encouraging constructive and open dialogue among all Directors.
- **Efficient Meetings and Detailed Records:** Focused meeting agendas, effective time management by the Chairman, and thorough minutes that clearly capture discussions, questions, and decisions.

2026/27 Action Plan to Further Enhance Effectiveness of the Board

To build upon these strengths and support the Group's long-term business transformation, the Board has agreed to implement the following enhancement initiatives:

- Enhance Strategic Focus in Agendas: Continue to refine the Board agenda setting to dedicate more time to forward-looking business strategies, market opportunities and long-term industry trends.
- Strengthen Succession Planning: Proactively review leadership pipelines and the Board succession roadmaps to ensure the Board's composition and skills remain aligned with the Group's evolving business needs.
- Continuous Board Development: Keep director training and development initiatives up to date, with an emphasis on emerging technologies, regulatory shifts and governance best practices.
- Deepen Risk and Resilience Oversight: Continue to enhance oversight of enterprise risk management, cybersecurity and operational resilience to safeguard business continuity.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee of the Company.

The Company has adopted a Director nomination policy (the “**Director Nomination Policy**”) which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Accomplishment and experience in the business in which the Group is engaged in;
- Qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the GEM Listing Rules;
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company;
- The Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;

- Number of existing directorships and other commitments that may demand the attention of the candidate; and
- Such other perspectives appropriate to the Company's business.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings. Where vacancies exist at the Board, candidates will be proposed and their biographical background will be put forward to the Nomination Committee for consideration. The recommendations of the Nomination Committee will then be tendered to the Board for approval based on the selection criteria set out above.

Dividend Policy

The Company has adopted a dividend policy (the "**Dividend Policy**") which sets out the approach to maintain a balance between meeting the Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company does not have any pre-determined dividend payout ratio. The declaration of dividends is subject to the discretion of the Board. Any declaration of final dividend by the Company shall also be subject to the approval of the Shareholders in a Shareholders' meeting.

The Directors may recommend a payment of dividends in the future after taking into account the Group's operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, Shareholders' interests and other factors which they may deem relevant at such time. Any declaration and payment as well as the amount of the dividends will be subject to the Articles of Association, any applicable laws and regulations, including the Cayman Companies Act. Historical dividend distributions are not indicative of the future dividend distribution. Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in the Group's operations.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code, which includes (i) to develop and review the policies and practice on corporate governance of the Group and make recommendations; (ii) to review and monitor the training and continuous professional development of the Directors and senior management; (iii) to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual applicable to the Directors and employees; and (v) to review the Company's compliance with the CG Code and disclosure in the corporate governance report of the Company.

During the year ended 30 June 2026, the Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Required Standard of Dealings and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICIES

To maintain a fair, ethical and efficient working environment, during the year ended 30 June 2026, the Group has adopted anti-bribery and anti-corruption policy (the “**Anti-Corruption Policy**”) to ensure that all employees abided by the applicable laws and regulations relating to anti-corruption and bribery, irrespective of the region in which the Group operates 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” in this report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company’s strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company’s risk management and internal control systems have been developed with the following features and processes:

- (a) The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

Risk Identification: Identify risks that may potentially affect the Group’s business and operations.

Risk Assessment: Assess the risks identified by using the assessment criteria developed by the management; and considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response: Prioritise the risks by comparing the results of the risk assessment; and determine the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting: Perform ongoing and periodic monitoring of the risk and ensure that appropriate internal control processes are in place; revise the risk management strategies and internal control processes in case of any significant change of situation; and report the results of risk monitoring to the management and the Board regularly.

(b) The main features of the risk management and internal control systems are summarised as follows:

Control procedures have been designed to safeguard assets against misappropriation and disposition; ensure compliance with relevant laws, rules and regulations; ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; ensure that unauthorized access and use of inside information are strictly prohibited; and to provide reasonable assurance against material misstatement, loss or fraud.

The Group has an internal audit function which conducts review on adequacy and effectiveness of the risk management and internal control systems of the Group. Such review is conducted annually and cycles reviewed are under rotation basis. During the year ended 30 June 2026, the Company engaged an external independent internal audit consultant to conduct a review of the effectiveness of the risk management and internal control systems of the Group. Management has reported findings and areas for improvement to the Audit Committee and the Board. The Audit Committee and the Board are of the view that there are no material internal control defects noted. All recommendations suggested are properly followed up to ensure that they are implemented within a reasonable period of time. The Audit Committee and the Board therefore considered that the Group's risk management and internal control systems are effective and adequate. The Board also is satisfied that there are adequate resources with appropriate qualifications and experience in its accounting and financial reporting team and that sufficient training and budget have been provided.

The Company has developed its information disclosure policy which provides guidelines and procedures to the Company's Directors, senior management and employees in evaluating and handling confidential information, monitoring information disclosure, handling market rumors, leakage of information and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited. The Group has in place a restriction-to-access mechanism to ensure that inside information is restricted to authorised persons on a need-to-know basis in accordance with the nature of transactions.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 30 June 2026 which reflect a true and fair view of the state of affairs of the Group and in presenting the quarterly, interim and annual financial statements, and respective announcements to the Shareholders.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITOR'S STATEMENT AND REMUNERATION

A statement by the Group's auditor on their reporting obligations in respect of the Group's financial statements for the year ended 30 June 2026 is set out in section headed "Independent Auditor's Report" of this report.

For the year ended 30 June 2026 and 2025, the remuneration paid or payable to Forvis Mazars is set out below:

	2026 HK\$'000	2025 HK\$'000
Categories of Services		
Audit services	900	1,060
Non-audit services	50	390
	950	1,450

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 the year ended 30 June 2026.

COMPANY SECRETARY

The Company engages an external service provider to provide company secretarial services. Ms. Wong Po Lam has been appointed by the Board as the Company Secretary with effect from 1 January 2021. The biographical details of Ms. Wong are set out under the section headed "Directors and Senior Management Profile" of 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. Yu, 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 confirmed that she has complied with Rule 5.15 of the GEM Listing Rules by taking no less than 15 hours of relevant professional training during the year ended 30 June 2026.

SHAREHOLDERS' RIGHTS

The Company engages with the Shareholders through various communication channels.

To safeguard the Shareholder's interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the GEM Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. An extraordinary general meeting shall also be convened on the requisition of one or more Shareholder(s) holding, at the date of deposit of the requisition, a minority stake in the total number of issued Shares, and the minimum stake required to do this shall not be higher than 10% of the voting rights (on a one vote per Share basis) in the issued share capital of the Company. Such Shareholder(s) shall also be entitled to add resolutions to the agenda for the extraordinary general meeting concerned. Any requisition referred to in the second sentence of this article must be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at Annual General Meetings

There is no provision allowing Shareholders to move new resolutions at general meeting under the Cayman Islands Companies Act or the Articles of Association. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

Putting Forward Enquiries to the Board

Shareholders may send written enquiries and concerns to the Directors and management of the Company by mail to the Company's principal place of business in Hong Kong at Room 1910, 19/F, C C Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong.

INVESTOR RELATIONS

In order to ensure timely, transparent and accurate communications between the Shareholders and the Company, in general, information is communicated to the Shareholders mainly through the Company's interim reports and annual reports, general meetings, as well as the corporate communications and publications published on the website of the Stock Exchange (www.hkexnews.hk) and on the Company's website (byte-metaverse.com).

The annual general meetings and other general meetings of the Company are the primary communication forum between the Company and the Shareholders. The Shareholders are encouraged to participate in general meetings in person or to appoint proxies to attend and vote at such meetings for and on their behalf if they are unable to attend.

Board members, in particular, the chairman of the Board Committees or their delegates, appropriate senior executives and external auditor will attend the general meetings to answer the Shareholders' questions.

During the year ended 30 June 2026, the Board was satisfied with the effectiveness of communication with the Shareholders. The Board will continuously to review the communication policies with the Shareholders to ensure their appropriateness and continued effectiveness on a regular basis.

CONSTITUTIONAL DOCUMENTS

On 17 June 2022, the Existing Memorandum and Articles of Association have been approved in the extraordinary general meeting of the Company. Details have been set out in the announcements of the Company dated 27 May 2022 and the circular of the Company dated 1 June 2022. The Existing Memorandum and Articles of Association is available on the Company's website at byte-metaverse.com and the Stock Exchange's website.

The Board proposes to amend the Existing Memorandum and Articles of Association and adopt the new Memorandum and Articles of Association in substitution for and to the exclusion of the Existing Memorandum and Articles of Association. Details are set out in the Company's announcement dated 23 September 2026.

On behalf of the Board

Yu Decai
Chairman

Hong Kong, 23 September 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “**ESG Report**”) covers the sustainability policies and performance of Byte Metaverse Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**” or “**we**”) from 1 July 2025 to 30 June 2026 (the “**Reporting Period**” or “**2026**”). It focuses on the environmental, social and governance (“**ESG**”) performance and practice across our offices and server rooms in Malaysia and Chinese Mainland, covering (i) network support services; (ii) network connectivity services; (iii) E-Commerce services; and (iv) online game intellectual property authorisation management services. This ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) as set out in the Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

All data and information cited in this ESG Report are from internal archived documents and records, and data from 1 July 2024 to 30 June 2025 (“**2025**”) is used for comparisons unless specified otherwise. For a more precise disclosure relevant to the environmental performance, a carbon emission assessment was conducted by an external professional party, which can help to enhance the credibility and objectivity of ESG reports. The reporting scope of the ESG Report includes the Group’s business segments in Malaysia, Chinese Mainland, and Hong Kong, which remains the same as in 2025. Since the environmental impact of the business segment in Hong Kong is immaterial, its environmental data will be excluded from the reporting scope.

The board (the “**Board**”) of directors (the “**Directors**”) is well aware of the ESG Report’s contents and understands its responsibility towards the publication of the ESG Report. If you have any feedback on this ESG Report or the Group’s overall sustainability performance, please refer to the contact methods provided below. Your opinions are important for our sustainable improvement and contemporary advancement.

Address: Room 1910, 19/F, C C Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong
Mailbox: info@byte-metaverse.com

MESSAGE FROM THE BOARD

The Group is pleased to present this ESG Report to provide an overview of the Group's management of ESG performance. The Board takes responsibility to ensure that the Group's operations and development meet the expectations and interests of both internal and external stakeholders, such as our employees, shareholders, customers and suppliers. We believe that the feedback from stakeholders is the foundation of improvements and a driver to the Group's future development. To be responsive, the Board is committed to generating and realising long-term values for the stakeholders by improving the Group's sustainability performance.

Although we have not yet established a sustainability committee to oversee the Group's sustainability development, the Board is responsible for all decisions made on any significant issues relevant to the environment, society and corporate governance, which are always premised on compliance with the legal and regulatory requirements. The process of preparing this ESG Report helps the Board identify the risks relevant to sustainability, and thus enhances the determination of appropriate and practical sustainability policies for implementation.

To ensure the effectiveness of the implementation of ESG policies within the Group, the Board, which possesses relevant ESG knowledge, takes the lead and assumes overall responsibility for the Group's ESG issues, including policy formulation, practice monitoring, target tracking and ESG reporting, while convening at least one meeting annually. With the application of the ESG management approach and strategy, the Board has gained an in-depth understanding of the latest ESG developments in the Group while allowing all employees to maintain sound communication with the management in the execution of business policies. Together with the outcome of the annual materiality assessment through ongoing stakeholder engagement, the Board can identify the serious challenges raised by its key stakeholders on the sustainable development of the Group and make appropriate decisions and plans for business development by putting more efforts into the topics that are believed to be relevant, urgent and important to the Group's long-term competitiveness in the industry.

In this ESG Report, the Group's ESG performance is disclosed to demonstrate how it balances the needs of business development and sustainable development in the Reporting Period. Besides, relevant policies, risk management mechanisms and internal monitoring systems are also disclosed to show how we implement the concept of sustainability into our daily operations. We sincerely hope that our efforts devoted to the Group's sustainability development can satisfy the stakeholders' expectations and benefit them in the long run. We, the Board, have approved the content of this ESG Report. We are committed to improving our ESG performance and disclosure and look forward to hearing your comments for future improvement.

The Board

23 September 2026

COMMUNICATION WITH STAKEHOLDERS AND IDENTIFICATION OF MATERIAL ISSUES

Stakeholder engagement is the process through which we stay connected with all stakeholders. During the Reporting Period, the Group has maintained close communication with different stakeholders via various channels. We believe that the effective engagement of all stakeholders is integral to the development of our sustainability strategy and is also a prerequisite for our long-term sustainable growth.

Through the communication process, the most influential and material issues of concern can be identified, which gives the Group the best references to continuously improve ESG performance. The identification of issues of concern allows the Group to understand more about the impacts of its daily operation in different aspects.

The table below sets out our main communication channels with the Group's major stakeholders and their probable issues of concern on the Group's operation:

Major stakeholders	Communication channels	Issues of concern
Community	- Community activities - Volunteering	- Community environment, employment - Community development - Social responsibilities
Customers	- Marketing events - The Group's website - Phone communications	- Safe and high-quality products/services - Business ethics - Information transparency - Intelligent protection
Employees	- Daily communications - Staff handbook	- Safe and healthy working environment - Rights and benefits - Training and development - Career development opportunities
Government/Market Regulators	- On-site inspections and checks - Industry collaboration	- Compliance with laws and regulations - Proper tax payment - Social responsibility
Peers	- Industry conferences - Site visits	- Experience sharing and cooperation - Fair competition

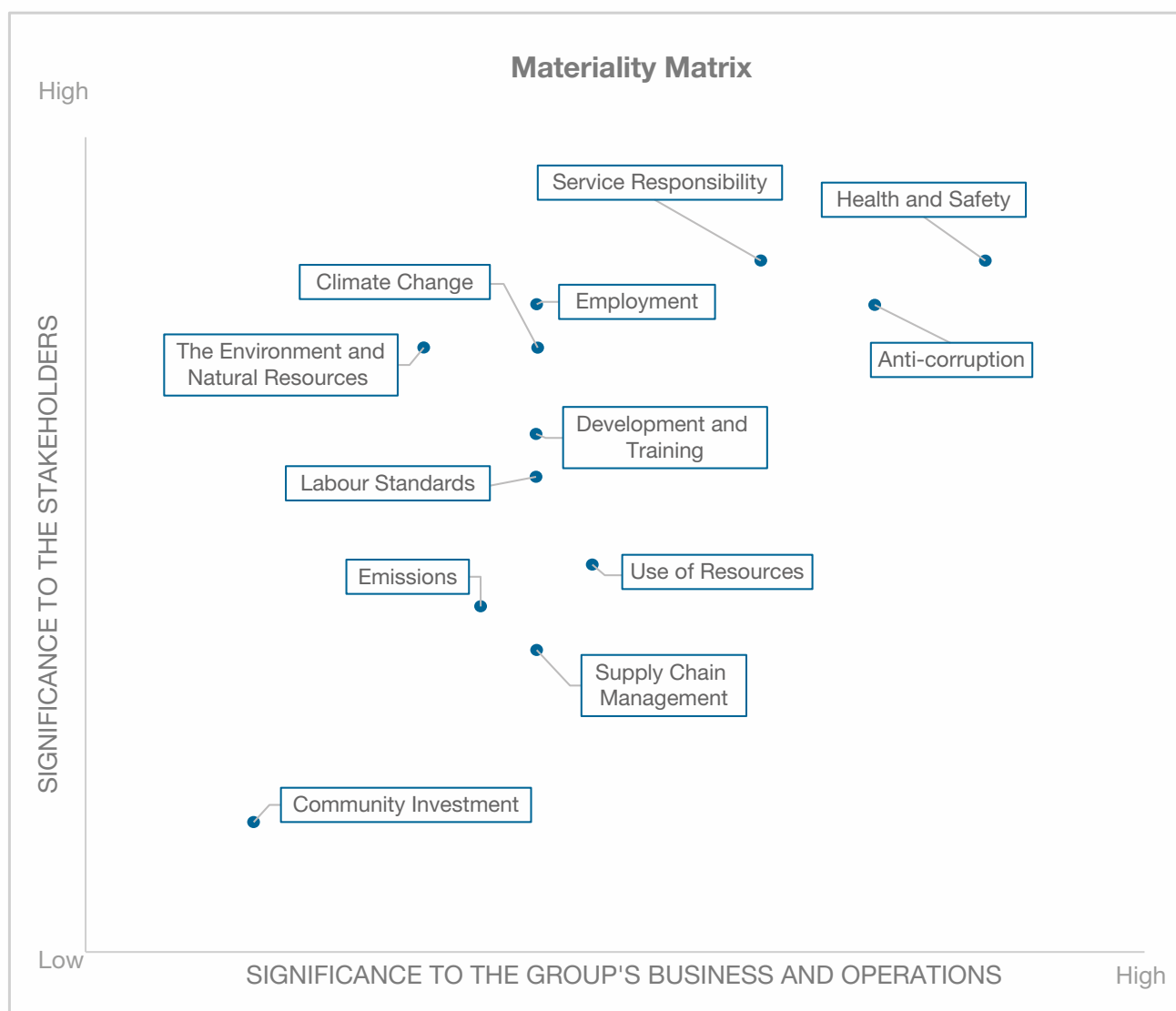
Major stakeholders	Communication channels	Issues of concern
Shareholders/Investors	• Annual general meeting and other shareholder meetings • Information disclosure on the Stock Exchange's and the Group's websites • Mail and phone communications	• Return on investment • Information disclosure and transparency • Business strategies and performance • Corporate governance system
Suppliers	• Supplier procurement procedures • Annual evaluations • Regular meetings	• Long-term partnership • Payment schedule • Stable demand

The Group's management and staff in major functions are involved in the preparation of this ESG Report.

To better understand stakeholders' expectations of the Group's ESG performance, we have conducted a materiality assessment to identify stakeholders' key concerns. The following illustrate the steps of the materiality assessment process:

1. Identified a list of material topics based on the Group's previous material topics and benchmarked against policies, industry standards and corporate development strategies.
2. Conducted a materiality assessment survey and invited stakeholders such as employees, customers and investors to assess the importance of each topic to the Group's business and to their own assessments and decisions. Stakeholders were also given the opportunity to express their views on the Group's ESG performance through open-ended questions.
3. The material topics were analysed and prioritised based on the survey results. Stakeholders' opinions and the materiality assessment results were reviewed and discussed with the management, thereby determining the focus of disclosure and the direction for improving ESG performance in the future.
4. The materiality assessment of all ESG issues was approved by the Board.

The following matrix is a summary of the Group's material ESG issues:



REPORTING PRINCIPLES

During the preparation process, the Group adheres to the fundamental reporting principles, namely materiality, quantitative, balance and consistency, as outlined in the ESG Reporting Code.

Materiality

We performed a materiality review based on our stakeholder engagement process that determined the material ESG aspects for us and guided the focus of this ESG Report.

Quantitative

All of the disclosed information, statistics of environmental and social key performance indicators (“**KPIs**”) in particular, is organised and calculated according to standardised methodologies. Information on the standards, methodologies, assumptions, calculation references, and sources of key conversion factors used for KPIs is included where relevant.

Balance

The Board has reviewed the ESG Report and confirmed that the ESG Report has not omitted any information related to material ESG topics. This ESG Report has been prepared without bias.

Consistency

The presentation format of the environmental data table has been updated to facilitate meaningful comparisons. The statistical methodologies for the remaining data applied in the ESG Report were substantially consistent with those used in 2025.

OVERALL PERFORMANCE

New challenges in environmental protection, corporate management, social relations, and other aspects have arisen in various industries from time to time. To be a responsible enterprise showing care to the environment and society, we need to continuously improve our existing policies and encourage creativity from our employees to explore more solutions for new challenges. During the Reporting Period, the Group has implemented various measures and policies related to ESG aspects.

- **Environmental Protection Measures**

- A1. Emissions**

The Group adheres to good environmental management, striving to protect the environment to fulfil its corporate social responsibility. The Group's environmental policy encompasses its general approach towards controlling environmental impacts of the Group's business operation. The Group's operations have no significant adverse impact on the environment and natural resources. The main business of the Group does not involve any production processes and has no known significant adverse impact on the environment and natural resources.

With concerns over the negative impact of business operations on the environment, the Group strives to reduce the adverse environmental impact by raising its employees' environmental awareness and implementing energy-saving and emission reduction measures. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group, including but not limited to:

- Energy Commission Act 2001 of Malaysia;
- Environmental Quality Act 1974 of Malaysia;
- Environmental Protection Law of the People's Republic of China;
- Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution;

- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste; and
- Water Pollution Prevention and Control Law of the People's Republic of China.

Air Emissions

The primary source of air emissions from the Group's operations was the petrol consumed by its vehicles, which mainly includes nitrogen oxides ("NO_x"), sulphur oxides ("SO_x") and particulate matter ("PM"). Details are summarised in the table below.

Air Emissions ¹	Unit	2026	2025
NO _x	kg	24.65	37.35
SO _x	kg	0.44	0.68
PM	kg	1.82	2.75

Note(s):

1. The calculation method for air emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

In response, the Group has implemented relevant measures to manage these emissions, which are detailed in the section headed "GHG Emissions" under "A1. Emissions".

GHG Emissions

The primary sources of GHG emissions from the Group's operations were direct GHG emissions from the fuel consumed by vehicles and the FM200 fire extinguishing systems used in its offices and server rooms (Scope 1), as well as energy indirect GHG emissions from purchased electricity (Scope 2). Details are summarised in the table below.

GHG Emissions ²	Unit	2026		2025	
		Malaysia	Chinese Mainland	Malaysia	Chinese Mainland
Scope 1 Direct Emissions	tCO ₂ e	79.25	10.00	123.70	10.00
Mobile Combustion	tCO ₂ e	79.25	–	123.70	–
Fugitive Emissions	tCO ₂ e	0.002	10.00	0.002	10.00
Scope 2 Energy Indirect Emissions	tCO ₂ e	31.12	0.21	34.63	0.19
Electricity Purchased	tCO ₂ e	31.12	0.21	34.63	0.19
Total GHG Emissions	tCO ₂ e	110.37	10.21	158.33	10.19
Intensity³	tCO ₂ e/sq ft	0.01	0.01	0.02	0.01

Note(s):

2. The disclosed GHG emissions cover Scope 1, location-based Scope 2 emissions, covering the Group's operations under operational control in Malaysia and Chinese Mainland. To ensure consistency and comparability, the Group calculates its GHG emissions in compliance with the GHG Protocol. This internationally acknowledged framework enables alignment with the disclosure requirements of the GEM Listing Rules. With regard to the calculation of Scope 2 emissions, the Group has not entered into any contractual arrangements that materially affect such emissions. tCO₂e is defined as tonne of carbon dioxide equivalent. The calculation method for GHG emissions is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the global warming potential values from the "Sixth Assessment Report" published by the Intergovernmental Panel on Climate Change, the "Notice on the Release of 2022 Electricity Carbon Dioxide Emission Factors" and the "Notice on the Release of 2023 Electricity Carbon Dioxide Emission Factors" published by the Ministry of Ecology and Environment of Chinese Mainland, and the Sustainability Report 2025 issued by Tenaga Nasional Berhad. Due to the disposal of certain vehicles and the reduction in site deployment, coupled with the implementation of energy efficiency initiatives in Malaysia, the Group's total GHG emissions have decreased compared to 2025. The Group's GHG measurement approaches, input data, and assumptions applied remain consistent with those utilised in 2025. The Group will further investigate Scope 3 emissions accounting in future disclosures when adequate resources are in place.
3. sq ft is defined as square feet. In 2026, the Group's total office floor area was approximately 7,506.13 sq ft in Malaysia and 1,184.03 sq ft in Chinese Mainland (2025: approximately 7,506.13 sq ft in Malaysia and 1,184.03 sq ft in Chinese Mainland). The data is also used for calculating other intensity data.

In line with our operational needs, we have implemented energy-saving measures to further mitigate our environmental impact. These include (i) the regular maintenance of vehicles and equipment to prevent inefficient fuel consumption and operational irregularities, and (ii) promoting responsible energy use among staff by encouraging them to power down electrical appliances when not in use. Additional measures are detailed in the section headed "Energy" under the "A2. Use of Resources".

During the Reporting Period, the Group achieved the target of hosting a campaign and has set a target to host at least one environment-related campaign in the year from 1 July 2026 to 30 June 2027 ("2027"). Looking ahead, we are committed to establishing specific emissions targets once sufficient resources become available in the future.

Waste

The Group is not involved in the production of hazardous waste, and its generation of non-hazardous waste was minimal during the Reporting Period (2025: nil). The Group remains committed to reducing its waste and its associated environmental impact. To further mitigate its environmental impact, the Group encourages employee participation in waste reduction initiatives, such as utilising electronic communication and recycled paper. Additional measures are detailed in the section headed "Paper" under the "A2. Use of Resources".

During the Reporting Period, the Group achieved the target of hosting a campaign and has set a target to host at least one waste reduction campaign in 2027. Looking ahead, we are committed to establishing specific waste reduction targets once sufficient resources become available in the future.

A2. Use of Resources

We preserve the resources and strive to minimise our footprint in consuming resources in our business operations. The Group continues initiatives to introduce resource efficiency and eco-friendly measures to its operations and is committed to optimising the use of resources in all of its business operations. The Group has established relevant policies and procedures to govern the efficient use of resources, in reference to the objective of achieving higher energy efficiency and reducing the unnecessary use of resources.

Energy

The primary sources of energy consumed by the Group were petrol used in its vehicles and purchased electricity. Details are summarised in the table below.

Energy Consumption ⁴	Unit	2026		2025	
		Malaysia	Chinese Mainland	Malaysia	Chinese Mainland
Direct Energy Consumption	kWh	287,810.56	–	449,240.58	–
Petrol	kWh	287,810.56	–	449,240.58	–
Indirect Energy Consumption	kWh	57,950.00	525.00	62,154.00	500.00
Purchased Electricity	kWh	57,950.00	525.00	62,154.00	500.00
Total Energy Consumption	kWh	345,760.56	525.00	511,394.58	500.00
Intensity	kWh/sq ft	46.06	0.44	68.13	0.42

Note(s):

4. The unit conversion method for direct energy consumption is based on the “Energy Statistics Manual” issued by the International Energy Agency. Due to the disposal of certain vehicles and the reduction in site deployment, coupled with the implementation of energy efficiency initiatives in Malaysia, the Group’s total energy consumption has decreased compared to 2025.

The Group believes that securing access to more eco-friendly energy sources is essential to reducing its environmental impact and ensuring long-term operational stability. Petrol is primarily consumed for business transportation, and the Group places strong emphasis on controlling its consumption through daily operational measures. This includes a commitment to optimising business trip management via the implementation of strict internal fleet policies. The Group has also prioritised the selection of environmentally-friendly vehicles for transportation, encouraged all its employees to choose public transport instead of private cars for business trips, and endeavours to reduce non-essential business trips by utilising advanced technologies such as online conferences, in order to move toward “low carbon and low consumption” business models.

In addition, the Group purchases electricity from the local public utilities for its daily operations in the offices. To further mitigate the consumption of electricity, the Group has promoted the slogan of “Saving Electricity” in its daily operations and has implemented the following practices:

- switch off all idle lights and air conditioners;
- maintain the electrical equipment in the offices (including air conditioners and paper shredders) on a regular basis to keep their high efficiency;
- adjust the set temperature of air conditioners in the offices appropriately;
- consider the energy-efficiency of electrical appliances during procurement, such as the purchase of equipment with Grade 1 energy label;
- use LED bulbs for office lighting instead of energy-intensive lamps in the offices; and
- encourage all employees to keep the curtains open and utilise natural sunlight in the offices when possible.

During the Reporting Period, the Group achieved the target of hosting a campaign and has set a target to host at least one energy conservation campaign in 2027. Looking ahead, we are committed to establishing specific energy efficiency targets once sufficient resources become available in the future.

Water

Since the Group’s business activities do not consume a significant amount of water, the Directors consider that water consumption is not material to its operations and is not sufficiently material to be reported (2025: nil). During the Reporting Period, the Group did not encounter any issues in sourcing water. The Group continues to delve into more advanced and effective ways of water conservation in the offices and strongly advocates the importance of saving water to global sustainable development. To improve the utilisation efficiency of water resources, the Group has adopted the following practices:

- fix dripping taps immediately once leakage is found;
- remind staff to turn off water taps after use via emails and notices; and
- place water-saving posters in prominent places in the offices to encourage water conservation.

During the Reporting Period, the Group achieved the target of hosting a campaign and has set a target to host at least one water conservation campaign in 2027. Looking ahead, we are committed to establishing specific water efficiency targets once sufficient resources become available in the future.

Paper

The Group is dedicated to saving paper in its offices by promoting the concept of “paperless office” and has encouraged its staff to adopt green practices such as use of recycled paper. The Group has adopted the following practices:

- promote the concept of “paperless office”, and disseminate information by electronic means (i.e. via email or e-bulletin boards) as much as possible;
- set double-sided printing as the default mode for most network printers when printouts are needed;
- promote the idea of “think before print” by using posters and stickers in the offices to remind the staff to avoid unnecessary printing;
- place boxes and trays as containers beside photocopiers to collect single-sided paper for reuse;
- reuse the paper-made office stationery such as envelopes and folders; and
- use the back of old single-sided documents for printing or as draft paper.

Packaging Material

Given the nature of its business, the Group did not consume any packaging material during the Reporting Period (2025: nil).

The Group always aims to build a better society by creating long-term value to all stakeholders and reducing its negative impacts on the environment. We adhere to our social responsibilities as a technology company, actively engage in public welfare undertakings, and fulfil our corporate social responsibilities with practical actions to contribute to the development of the industry.

A3. The Environment and Natural Resources

Regarding the business operations of the Group, the adverse environmental impact of business operations of the Group is minimal. The Group is not aware of any significant negative impacts of its activities on the environment and natural resources. As a responsible enterprise, it has been part of the management’s policy of the Group to show exemplary environmental responsibilities by operating businesses in a manner consistent with best eco-friendly practices. The Group aims to save natural resources by enhancing awareness among employees and reviewing the efficiency of its business operations regularly. With the integration of policies and measures mentioned in the section headed “A2. Use of Resources”, the Group strives to minimise the adverse impacts of its business operations on the environment and natural resources.

A4. Climate Change

Global warming has been one of the utmost concerns in recent years. Acute physical risk can arise from extreme weather conditions such as flooding and storms and chronic physical risk can arise from sustained high temperature, while transition risk may result from changes in environment-related regulations or changes in customer preferences.

The Group closely follows emergency notifications from local governments and communicates effectively with employees to ensure timely updates on warnings. To minimise life, property and financial losses, precautionary policies and measures for flexible working arrangements have been taken by the Group under different extreme weather scenarios of typhoon and flooding. Additionally, we track climate-related trends and regulations to maintain transparency in the ESG reports while effectively managing transition risks.

Though climate change and the aforementioned extreme weather conditions do not directly impose significant threats to the Group's business operations, the effects of global climate change harm the wellbeing and stability of countries and people on earth. However, we will continue to monitor the climate-related risks and implement relevant measures to minimise the potential impact of climate change.

- **Employment and Labour Practices**

B1. Employment

We always believe that employees are the foundation of our sustainable development. Only happy and loyal employees will drive growth momentum for our development and create long-term value. Therefore, we have established comprehensive employment policies and employee benefits to maintain both the quality and loyalty of our team.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant impact on the Group, including but not limited to:

- Employment Act 1955 (Amendment 2024) of Malaysia;
- Employees Provident Fund Act 1991 of Malaysia;
- Employees' Social Security Act 1969 of Malaysia;
- Employment Insurance System Act 2017 of Malaysia;
- Labour Law of the People's Republic of China;
- Labour Contract Law of the People's Republic of China;
- Employment Ordinance of Hong Kong; and
- Employees' Compensation Ordinance of Hong Kong.

As at 30 June 2026, the Group had 63 employees (including Executive Directors) (as at 30 June 2025: 65). The number of employees by gender, age, employment type, and geographical region are summarised in the table below:

Number of Employees		As at 30 June 2026	As at 30 June 2025
Total		63	65
Gender	Male	45	49
	Female	18	16
Age	<18	–	–
	18-24	4	6
	25-40	39	31
	41-59	18	24
	60 or above	2	4
Employment Type	Full-time	59	59
	Part-time	4	6
Geographical Region	Malaysia	45	49
	Chinese Mainland	3	4
	Hong Kong	15	12

The employee turnover rate by gender, age, employment type and geographical region is summarised in the table below:

Employee Turnover Rate ⁵		2026	2025
Total		23%	93%
Gender	Male	26%	41%
	Female	18%	52%
Age	<18	–	–
	18-24	40%	4%
	25-40	20%	78%
	41-59	19%	8%
	60 or above	67%	2%
Employment Type	Full-time	20%	77%
	Part-time	60%	15%
Geographical Region	Malaysia	26%	23%
	Chinese Mainland	29%	66%
	Hong Kong	15%	3%

Note(s):

5.
$$\text{Employee turnover rate} = \frac{\text{Number of employees in the category leaving employment during the year}}{\text{Average number of employees at the beginning and the end of the year}} \times 100\%$$

Recruitment and Promotion

The Group has adopted a set of transparent policies and procedures for conducting its annual recruitment plans. The Group considers talent acquisition essential in maintaining its energy and competitiveness in the market. According to its recruitment policy and procedures, the Group offers fair and competitive remuneration and benefits in accordance with the applicants' educational backgrounds, personal attributes, work experiences and career aspirations to attract high-calibre candidates. The Group also refers to market benchmarks in relation to staff promotion and provides equal opportunities for promotion and development for eligible employees who have shown outstanding performance and potential in their positions. Any promotion within the Group is based on clear and legitimate procedures.

The recruitment, employment, training, promotion and benefit policies of the Group do not take into account personal factors of the individual, such as race, nationality, religious beliefs, gender, age or marital status, unless the applicant or employee is not allowed to be employed under the laws of the country, such as under 18 years of age. Otherwise, accommodating the business needs of the Group is the primary criterion in recruitment.

The Group's human resources department (the "**HR Department**") in each respective region is responsible for all the recruiting and talent development issues. After posting the job vacancies to the public, all the candidates would be shortlisted and interviewed by the managers of the relevant departments. The managers should perform background searches of the candidates, including the verification of academic and professional qualifications, proof of residency and employment history, to ensure the quality of the candidates, while the HR Department should assist in verifying all the relevant information. For all the suitable candidates, an employment contract would be provided to each of them with all the rights and responsibilities specified.

Compensation and Dismissal

The Group periodically reviews its remuneration packages and performs the probationary and regular evaluations of the capability and performance of its employees, to ensure that all employees can be recognised and rewarded by the Group appropriately with respect to their efforts and contributions. Adjustment of compensation and termination of employment is determined by several factors, such as the performance appraisal of employees against well-defined KPIs and the internal policies of the Group. The Group prohibits unfair or illegitimate dismissal and has therefore established stringent dismissal procedures. In particular, for employees who have violated the Group's employment policies, the Group will provide a verbal warning before issuing a warning letter. For employees who repeat the same mistakes despite any prior warnings, the Group will terminate their employment contracts immediately in accordance with the applicable laws and regulations.

When either the Group or employees wish to terminate the employment contract, both need to give the other party a reasonable notice period or payment in lieu of notice. A handover checklist will be prepared by the HR Department for the employees as a reference to ensure the return of the Group's properties and the termination of all user accounts.

Working Hours and Rest Periods

Maintaining a proper balance between work and leisure can effectively help employees relax while enhancing the productivity of the Group. As such, the Group has formulated relevant policies and systems in compliance with applicable employment laws to determine the working hours and rest periods for its employees. In addition to basic annual leave and statutory holidays, all employees are entitled to apply for paid leave when they need to. They are eligible for 5 to 21 days of annual leave according to their service periods with the Group. They are also eligible for paid sick leave with certificates issued by recognised medical practitioners. Medical allowances have been provided to all employees who will be reimbursed for medical expenses on presentation of medical proof. Besides, marital leave, maternity and paternity leave are provided to encourage employees to fulfil their other roles in life.

Paid Leave	Days Allowed
Marital leave	3-5 days
Maternity leave	98-128 days commencing from the day of birth
Medical leave	12-22 days
Paternity leave	5-15 days commencing from the day of birth
Bereavement leave	1-3 days

Employee Welfare and Benefits

The purpose of the Group's remuneration policy is to attract, retain and motivate outstanding employees. Through annual appraisals, employees with excellent performance are encouraged to keep up with their good work, while employees who fail to meet performance standards are advised to improve themselves to maintain a high-quality and efficient corporate culture.

As required by the relevant laws and regulations, the Group ensures that all staff are covered by different public schemes to protect and help employees with urgent needs:

- **Mandatory Employee Provident Fund:** offers a savings plan for staff retirement; it not only functions as a retirement fund but also as a multi-purpose savings fund that allows withdrawals for house financing, education, and medical expenses
- **Social Security Organisation:** provides aid to employees who suffer from work-related injuries
- **Employment Insurance Scheme:** helps employees who become unemployed

Equal Opportunity, Diversity and Anti-discrimination

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all its human resources and employment decisions. Specifically, hiring, training, promotional opportunities, dismissal and retirement policies are all based on factors irrespective of the applicants' or the employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job-related factors. Meanwhile, in accordance with applicable local laws and regulations, the Group's equal opportunity policy maintains zero tolerance regarding any workplace discrimination, harassment or vilification. Employees are actively encouraged to report any incidents involving discrimination to the HR Department, which takes the responsibility for assessing, dealing with, recording and taking any necessary disciplinary actions in relation to the substantiated cases.

B2. Health and Safety

Health and safety at work involves both the prevention of harm and the promotion of employees' well-being at the workplace. To provide and maintain a safe, clean and environmentally friendly working condition for its employees, the Group has established strict safety and health policies in line with relevant laws and regulations, supplemented by internal policies that regulate daily practices to prevent occupational hazards.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards that would have a significant impact on the Group, including but not limited to:

- Occupational Safety and Health Act 1994 of Malaysia;
- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases; and
- Occupational Safety and Health Ordinance of Hong Kong.

The Group is not aware of any cases of fatalities among employees in the Group during the past three financial years (including the Reporting Period). During the Reporting Period, the Group did not record any work-related injuries (2025: nil). The Group pledges to maintain a safe and healthy workplace for all employees. In addition to complying with the local safety regulations, the Group will also eliminate known safety hazards in a reasonable manner. In order to maintain a good working environment and ensure safety in the office area, smoking is strictly prohibited in all office areas. Relevant procedures are regularly reviewed and monitored to ensure their continued effectiveness.

B3. Development and Training

As a responsible employer, the Group has the responsibility of providing employees with various training and development opportunities to ensure that they can excel in their appointed positions. Thus, the Group strives to implement relevant policies and systematically assists employees in improving their business capabilities and strengthening their knowledge in management theories, so that they can obtain comprehensive training and practical experience with a view to improving their work abilities.

The head of administrative & human resources (“**HOHR**”) is responsible for organising and monitoring the ongoing training of all Directors and new employees. For new employees, induction training will be provided by their head of department; while for other employees, on-the-job training will be given on an ongoing basis. The training provided covers a variety of aspects, including but not limited to business operation, such as intellectual property, media law and the job functions of different positions. For other professional training related to the job function of the employee, it will be offered on a voluntary basis via the human resources development fund of the Group.

With all the training provided, we look forward to the personal development of the employees and will further enable the development of their talent by providing them with more opportunities at work. Employees with outstanding performance will be nominated by the respective head of department for promotions. To evaluate the employees’ performance, performance appraisals are conducted annually to assist the management and employees in a communication process to focus on the objectives and achievements of employees.

The percentage of employees trained, total number of training hours, and average number of training hours by gender and employee category are summarised in the table below:

Percentage of Employees Trained ⁶		2026	2025
Total		46%	34%
Gender	Male	38%	26%
	Female	8%	8%
Employee Category	Senior management	5%	8%
	Middle management	16%	23%
	General employees	25%	3%
Total Number of Training Hours		2026	2025
Total		244	199
Gender	Male	191	159
	Female	53	40
Employee Category	Senior management	26	40
	Middle management	84	146
	General employees	134	13

Average Number of Training Hours ⁷		2026	2025
Total		4	3
Gender	Male	4	3
	Female	3	3
Employee Category	Senior management	2	6
	Middle management	3	4
	General employees	6	1

Note(s):

6. Percentage of employees trained = Number of employees trained in the category during the year ÷ Total number of employees at the end of the year x 100%.
7. Average number of training hours = Number of training hours completed in the category during the year ÷ Number of employees in the category at the end of the year x 100%.

B4. Labour Standards

The recruitment of child labour is strictly prohibited and all employees recruited by the Group are above the minimum working age. To avoid the employment of child labour, the Group checks and verifies the identity 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 that no unfair labour practices are adopted. Once the Group finds any case against labour standards, the employment will be immediately terminated, while the responsible personnel will be disciplined accordingly.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour that would have a significant impact on the Group, including but not limited to:

- Employment Act 1955 (Amendment 2024) of Malaysia;
- Law of the People's Republic of China on the Protection of Minors; and
- Employment Ordinance of Hong Kong.

• **Operating Practices**

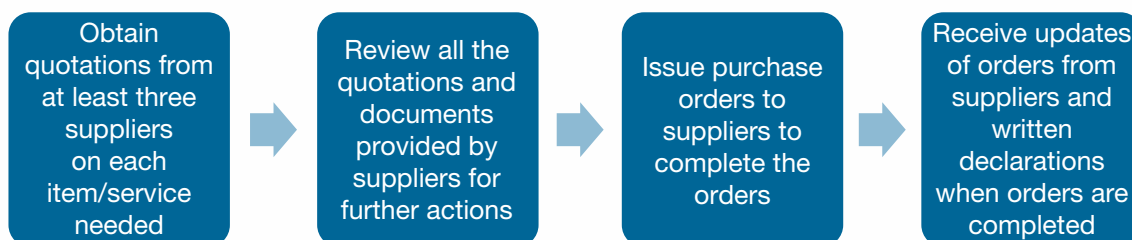
B5. Supply Chain Management

The Group relies on a variety of suppliers to provide good services and products to customers. Therefore, it is important for us to monitor and manage the supplier performance, which directly affects our service quality. We have established a complete set of policies for staff reference to standardise the selection and management of suppliers in the ESG aspects. The number of suppliers by geographical region and supplier nature is summarised in the table below:

Number of Suppliers		2026	2025
Total		129	144
Geographical Region	Malaysia	115	126
	Singapore	4	4
	Chinese Mainland	7	8
	Hong Kong	1	4
	Others	2	2
Supplier Nature	Services	108	116
	Hardware	21	28
	Products	–	–

According to our internal policies, when we need to engage a supplier for hardware or service procurements, we should obtain quotations from at least three different suppliers, except for items from limited sellers, competitive resellers, or any urgent order. All suppliers must provide the exact items and services mentioned in the quotation, or we would take follow-up actions to ensure our rights, including terminating the contract.

Procurement Procedures



To minimise the potential risks along the supply chain, the Group has set criteria in different aspects to manage and standardise suppliers' performance, such as the price, service quality, strategic sourcing and supply certification and other relevant certifications.

We expect our suppliers to be environmentally and socially responsible. Therefore, we encourage our suppliers to be certified by different management systems or frameworks to standardise their performance, such as the ISO 9001 Quality Management System, ISO 18295 Customer Contact Centres, ISO 45001 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, ISO 27701 Privacy Information Management System, etc. To ensure that the operational standards of suppliers meet our expectations and requirements, our staff conducts an annual evaluation. If a supplier is found violating the regulations, we will terminate our cooperation. During the Reporting Period, the Group evaluated and engaged with 129 suppliers (2025: 144 suppliers) according to its aforementioned procurement practices. These practices are closely monitored and regularly reviewed to ensure their effectiveness.

B6. Service Responsibility

The quality of services is always a key focus in our operations. The Group has established a comprehensive and stringent quality assurance system through various internal policies to ensure the quality, reliability and timeliness of our managed internet services. The Group works with suppliers and subcontractors that act in an environmentally, socially and ethically responsible manner. The Group's engineering team is responsible for the quality control of its managed internet services, such as network infrastructure design projects, network connectivity services and user acceptance testing for its customers. The Group adheres to the quality control system developed by its engineering team.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided, as well as methods of redress, that would have a significant impact on the Group, including but not limited to:

- Personal Data Protection Act 2010 of Malaysia;
- Consumer Protection Act 1999 of Malaysia;
- Intellectual Property Corporation of Malaysia Act 2002;
- Copyright Act 1987 of Malaysia;
- Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems;
- Cybersecurity Law of the People's Republic of China;
- Provisions on the Technical Measures for the Protection of the Security of the Internet of Chinese Mainland;
- Measures for Security Protection Administration of the International Networking of Computer Information Networks of Chinese Mainland;
- Personal Data (Privacy) Ordinance of Hong Kong; and
- Copyright Ordinance of Hong Kong.

Given the nature of its business, the Group was not involved in product sales; therefore, disclosures on product recall procedures and the number of products recalled for safety and health reasons are not applicable.

Customer Privacy Protection

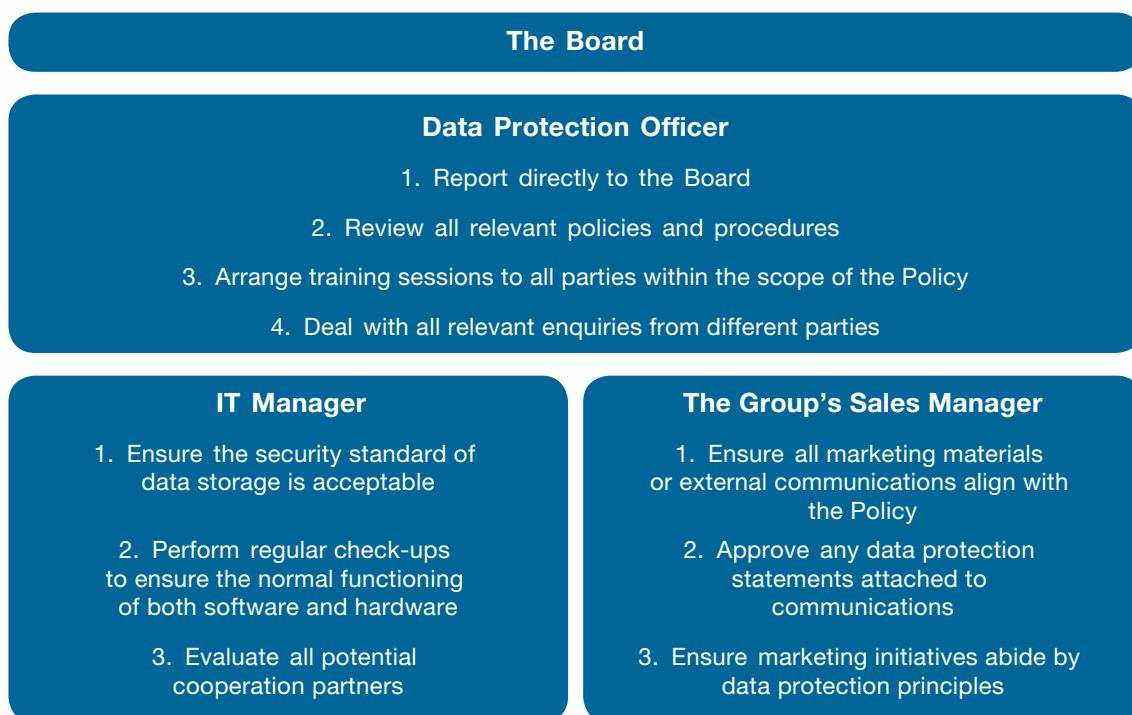
The Group inevitably collects and uses certain information about individuals or companies with which it has a relationship. Our ability to prevent breaches of customer privacy significantly contributes to our reputation and the trust from the market. Therefore, the Group established a Customer Data Protection Policy (the “**Policy**”) to provide guidance to all employees on how to handle data, in order to reduce the risks of improper disclosure.

The Purposes:

1. Comply with data protection law and follow good practice
2. Protect the rights of employees, customers, and partners
3. Increase transparency regarding how data is stored and processed
4. Protect the Group from the risks of data breaches

This Policy clearly states the scope of application and the responsibilities of different roles, providing the basic framework for effective implementation. The Board is ultimately responsible for ensuring the Group complies with all legal obligations. Under the leadership of the Board, this Policy is implemented and monitored mainly by the data protection officer, the information technology (“**IT**”) manager and the Group’s sales manager.

Management Structure:



Data Storage

To ensure the security of data storage, strict rules are set on how and where to store both paper and electronic data. Apart from keeping all physical data storage vehicles, such as paper, compact disc (“**CD**”) or universal serial bus (“**USB**”), locked securely when not being used, all other servers and online storage systems are protected by approved security software and firewalls. Besides, no data can be saved to any unauthorised cloud computing services, laptops, mobiles, or other electrical devices. All servers containing personal data are located in secure locations, which are away from the general office space. When employees need to dispose of or delete the data no longer required, guidelines are set for them to avoid improper disposal or data breach.

Data Usage

We understand that access to customers’ personal data poses the greatest potential risk of a data breach. To minimise risks and protect our most valuable assets, no personal customer data is allowed to be shared informally. Employees can only access data from the central system, not from their personal computers. Unnecessary additional data sets should not be created. Furthermore, all data must be encrypted before any electronic transfer, and this data should never be sent via email as this form of communication is not secure.

Data Accuracy and Update

It is the Group’s responsibility to ensure our employees take reasonable steps to keep all data as accurate and up to date as possible. The database should be checked regularly to avoid any incorrect records and outdated contacts. The marketing manager has the responsibility to ensure the marketing databases are checked against industry suppression files every six months.

Customer Requests

All individuals who are the subject of the personal data held by the Group are entitled to:

1. Ask what information the Group holds and what the collection purpose is
2. Ask how to access it
3. Be informed how the data is handled
4. Be informed how the Group protects the data

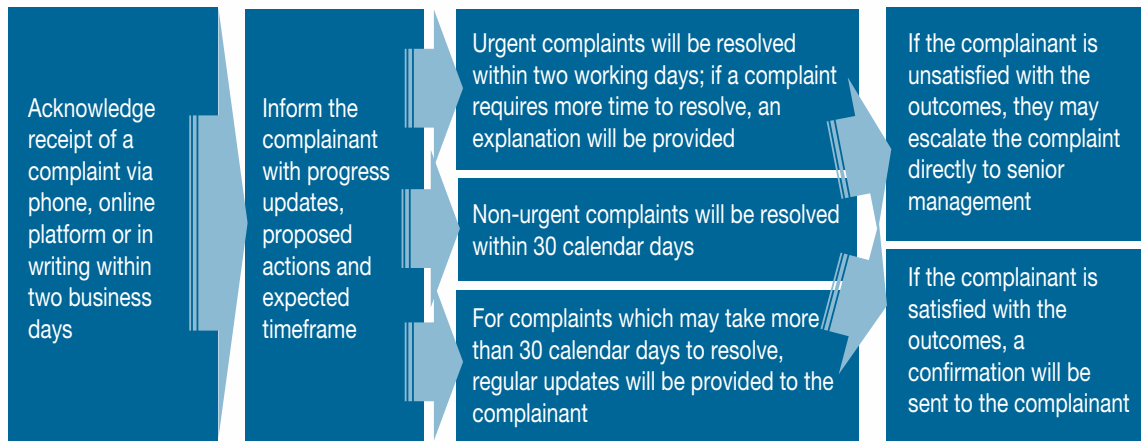
Other than the above situations and certain circumstances stated in relevant laws and regulations, such as formal requests from law enforcement agencies, no data will be disclosed by the Group to third parties without the customer’s consent. During the Reporting Period, the Group identified no instances of client data leakage or violations of applicable laws and regulations.

Customer Communication

The Group is always dedicated to providing good customer service and maintaining stable customer relationships. As such, we have established policies to handle customers' complaints to ensure the efficiency and effectiveness of the communication channels, the discharge of staff responsibilities and the handling procedures.

Complaints are handled by different departments according to their nature, namely technical, sales, support services and general complaints. This allows appropriate personnel to be assigned to provide the most effective solutions to customers within a reasonable timeframe. Customers can inquire about the handling process from time to time, ensuring transparency and deepening their trust in the Group. To improve service quality, the management team will review complaints quarterly and establish relevant improvement plans.

The following diagram illustrates the Group's complaints handling procedures:



For the Group's business in Malaysia, if a complaint is not resolved to the complainant's satisfaction, the complainant may seek assistance from the Malaysian Communications and Multimedia Commission, a governmental agency that handles complaints about telecommunication services.

During the Reporting Period, the Group did not receive any significant complaints from customers (2025: nil).

Protection and Maintenance of Intellectual Property

The Group has established a comprehensive intellectual property policy to provide guidelines on the implementation of copyright compliance, the application and violation procedures and the actual operation standards for the employees, which help to standardise the Group's performance. This policy will be reviewed annually to cope with the Group's development and daily operation updates.

The HOHR is responsible for the application for registration of trademarks or patents on behalf of the Group. All the relevant documents, such as the certification of registration of trademark or patent, shall be filed by the HOHR, which is also responsible for the continuous management, maintenance, and monitoring of all relevant status and renewal issues. The managing director and Directors are responsible for discussing, reviewing, and confirming cooperation terms for the use of any third-party brands or franchises.

Communication and Information Management

The Group believes that the management of the external communication determines our credibility and reputation. We need to ensure that the correct messages are delivered to the market with appropriate interpretation. Therefore, the Group follows its communication policies to provide timely, accurate and complete information to external parties based on the actual situation while observing all confidentiality agreements to avoid selective disclosure and to ensure that the public has fair and open access to the accurate information of the Group.

B7. Anti-corruption

To maintain a fair and ethical working environment, the Group implements relevant policies designed to prevent corrupt practices. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to:

- Anti-Corruption Commission Act 2009 of Malaysia;
- Anti-Money Laundering Law of the People's Republic of China;
- Oversight Law of the People's Republic of China;
- Criminal Law of the People's Republic of China; and
- Prevention of Bribery Ordinance of Hong Kong.

Probity lays the foundation for the sustainable development of the Group. We believe that only operating the business with clean hands helps the Group to develop sustainably for long-term values. Therefore, we do not tolerate any form of bribery or corruption and have requested that all employees perform their daily tasks in a credible and reliable manner.

To ensure that all staff thoroughly understand our requirements, we have outlined each position's responsibilities and rights in the employment contract and other internal materials, based on relevant laws and regulations. In cases of bribery or corruption deemed by the Group to be serious misconduct, the staff involved will face disciplinary actions, which may include dismissal. During the Reporting Period, 1 Director and 4 employees participated in anti-corruption training, totalling approximately 2 hours and 8 hours, respectively (2025: 1 Director and 5 employees participated in anti-corruption training, totalling approximately 2 hours and 10 hours). The Group will continue to seek suitable training options for both Directors and employees.

The Group has formulated and strictly enforced its trade and transaction policies to prevent any illegal practices, including corruption, extortion and money-laundering within the Group. The Group prohibits all forms of bribery and corruption and requires all its employees to follow relevant codes of professional ethics. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery or any activities which might exploit their positions against the Group's interests. During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or any of its employees (2025: nil).

Whistleblowers can report verbally or in writing to the Audit Committee for any suspected misconduct with full details of the incidents and supporting evidence. The Audit Committee will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests. The Group has established an effective grievance mechanism to protect the whistleblowers from unfair dismissal or victimisation. Where any crime is suspected within the Group, a report will be submitted promptly to the relevant regulators or law enforcement authorities when the management of the Group considers it necessary. Regular reviews are conducted to ensure the effectiveness of these procedures.

- **Community**

B8. Community Investment

The Group always aims to build a better society by creating long-term value to all stakeholders and reducing its negative impacts on the environment. We adhere to our social responsibilities as a technology company, actively engage in public welfare undertakings, and fulfil our corporate social responsibilities with practical actions to contribute to the development of the technology industry.

As a responsible enterprise, the Group strives to implement relevant policies and recognises its strong commitment to its stakeholders in contributing to society while maintaining momentum in achieving good financial results. In recent years, the Group has focused on meeting the genuine needs of local communities and making continuous efforts to support the healthy growth of community members. The Group believes that ongoing community engagement and meaningful dialogue with local people are crucial for understanding its business impact and perceiving its sustainability missions. During the Reporting Period, the Group made a donation of approximately HK\$17,000 (2025: approximately HK\$212,000).

Looking ahead, the Group will invest more of its economic returns back into education, health, harmony, and wellbeing of local communities while continuing to build trust with community groups.

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE (1)

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	MESSAGE FROM THE BOARD
Reporting Principles	REPORTING PRINCIPLES
Reporting Boundary	ABOUT THIS REPORT

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE (2)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Explanation
Environmental Protection Measures		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection Measures — A1. Emissions
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection Measures — A1. Emissions — Air Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection Measures — A1. Emissions — Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection Measures — A1. Emissions — Waste
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Protection Measures — A1. Emissions
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 Protection Measures — A1. Emissions — Waste

**Subject Areas,
Aspects,
General
Disclosures and
KPIs**
Description
Section/Explanation
Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection Measures — A2. 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 Protection Measures — A2. Use of Resources — Energy
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection Measures — A2. Use of Resources — Water
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection Measures — A2. Use of Resources — Energy
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.	Environmental Protection Measures — A2. Use of Resources — Water
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Protection Measures — A2. Use of Resources — Packaging Material

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection Measures — A3. 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 Protection Measures — A3. The Environment and Natural Resources

Aspect A4: Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection Measures — A4. Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection Measures — A4. Climate Change

**Subject Areas,
Aspects,
General
Disclosures and
KPIs**
Description
Section/Explanation
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, anti-discrimination, and other benefits and welfare.	Employment and Labour Practices — B1. Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Practices — B1. Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices — B1. 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.	Employment and Labour Practices — B2. Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Employment and Labour Practices — B2. Health and Safety
KPI B2.2	Lost days due to work injury.	Employment and Labour Practices — B2. Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Employment and Labour Practices — B2. Health and Safety

**Subject Areas,
Aspects,
General
Disclosures and
KPIs**

Description

Section/Explanation

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labour Practices — B3. Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Employment and Labour Practices — B3. Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Employment and Labour Practices — B3. 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.	Employment and Labour Practices — B4. Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment and Labour Practices — B4. Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labour Practices — B4. Labour Standards

**Subject Areas,
Aspects,
General
Disclosures and
KPIs**
Description
Section/Explanation
Operating Practices
Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Practices — B5. Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Operating Practices — B5. 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 — B5. 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 — B5. Supply Chain Management — Procurement Procedures
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 — B5. Supply Chain Management — Procurement Procedures

**Subject Areas,
Aspects,
General
Disclosures and
KPIs**
Description
Section/Explanation
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 — B6. Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Operating Practices — B6. Service Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Operating Practices — B6. Service Responsibility — Customer Communication
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operating Practices — B6. Service Responsibility — Protection and Maintenance of Intellectual Property
KPI B6.4	Description of quality assurance process and recall procedures.	Operating Practices — B6. Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Operating Practices — B6. Service Responsibility — Customer Privacy Protection

**Subject Areas,
Aspects,
General
Disclosures and
KPIs**
Description
Section/Explanation
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 — B7. 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 — B7. Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Operating Practices — B7. Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Operating Practices — B7. Anti-corruption

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 — B8. Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community — B8. Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community — B8. Community Investment

THE ESG REPORTING CODE CONTENT INDEX OF THE STOCK EXCHANGE (3)

In line with Appendix C2 of the GEM Listing Rules, which sets out climate-related disclosure requirements on a voluntary basis, with the exception of the mandatory disclosure of Scope 1 and Scope 2 GHG emissions as required under paragraphs 28(a), 28(b), and 29, as outlined below:

Paragraph	Description	Section/Statement
28	An issuer shall disclose its absolute gross GHG emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent, classified as:	Environmental Protection Measures — A1. Emissions — GHG Emissions
(a)	Scope 1 GHG emissions;	
(b)	Scope 2 GHG emissions;	
29	An issuer shall:	Environmental Protection Measures — A1. Emissions — GHG Emissions
(a)	measure its GHG 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 GHG 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;	
(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).	

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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Website 網址: forvismazars.com/hk

To the members of

Byte Metaverse Holdings Limited

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Byte Metaverse Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 110 to 185, which comprise the consolidated statement of financial position at 30 June 2026, 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 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 consolidated financial position of the Group at 30 June 2026, 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)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
<i>Refer to principal accounting policy in Note 2 and the disclosure of revenue in Note 5 to the consolidated financial statements</i>	
The Group's revenue is principally generated through (i) sales in electronic commerce; (ii) sales of hardware; (iii) sales of social media exposure; (iv) on-site installation of hardware; (v) network management and security services; (vi) network connectivity services; (vii) lease of hardware; and (viii) online game intellectual property authorisation management services. In respect of on-site installation of hardware, network management and security services and network connectivity services, the Group recognises revenue over time by reference to the progress towards complete satisfaction of the relevant performance obligation as 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. The revenue generated from on-site installation of hardware, network management and security services and network connectivity services for the year ended 30 June 2026 amounted to approximately HK\$2,150,000, HK\$14,827,000 and HK\$39,557,000, respectively. We have identified the above matter as a key audit matter because the amount involved is significant and significant management judgements and estimations is required on the allocation of the transaction prices among various performance obligations and to determine the progress towards complete satisfaction of the performance obligation at the reporting date.	Our procedures, among others, included: a) obtaining an understanding of and evaluating the design and implementation of the Group's key internal controls over the contract revenue recognition including the control over recording work done, invoicing and cash receipts; b) examining the allocation of transaction prices among various performance obligations and testing the accuracy of revenue recognition on a sample basis; c) comparing the value of the transferred goods or services rendered to date relative to the remaining goods or services promised under the contract, on a sample basis, to assess the reasonableness of management's estimation; and d) performing substantive testing on the accuracy and occurrence of revenue on a sample basis by examining key terms in contracts (including contract sum, deliverables timetable and milestones), signed user acceptance, billings records, financial records and other relevant supporting documents.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter

How our audit addressed the key audit matter

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 20 and the disclosures of the financial risk management – credit risk in Note 32 to the consolidated financial statements, respectively

At 30 June 2026, the carrying amount (net of loss allowances) of trade receivables amounted to approximately HK\$45,690,000.

Management performed credit evaluations for the Group's debtors and assessed expected credit losses ("ECL") of trade receivables. These assessments were focused on the debtors' settlement record and historical actual credit loss experience, their current repayment ability and forward-looking information specific to respective debtor as well as pertaining to the economic environment in which the debtor operates.

We have identified the above 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 ECL of trade receivables.

Our procedures, among others, included:

- a) understanding, evaluating and validating management's key controls over the expected credit losses assessment process;
- b) obtaining management's assessment of ECL of trade receivables and assessing the reasonableness of impairment recognised by examining the key underlying information referenced by the management, such as checking the accuracy of the ageing analysis of trade receivables to the relevant sales invoices, on a sample basis;
- c) checking and assessing whether the loss allowance was properly supported by considering available forward-looking information, debtors' ageing analysis, settlement record and history of default; and
- d) in respect of receivables of individual debtor 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.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2026 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 HKSA's 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.

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, 23 September 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 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Revenue	5	156,914	296,204
Cost of sales and services		(142,782)	(280,318)
Gross profit		14,132	15,886
Other income	6	125	178
Other gains and losses, net	7	(440)	5,749
Selling expenses		(3,699)	(3,862)
Administrative and other operating expenses		(27,249)	(34,613)
Finance costs	8	(404)	(353)
Share of results of associates	16	(3,693)	4,130
Loss before tax	8	(21,228)	(12,885)
Income tax (expense) credit	11	(229)	1,688
Loss for the year		(21,457)	(11,197)
Other comprehensive income (loss)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign subsidiaries		3,530	5,981
Release of exchange reserve upon disposal of subsidiaries	31	–	(59)
Total comprehensive loss for the year		(17,927)	(5,275)
(Loss) Profit for the year attributable to:			
Equity owners of the Company		(21,545)	(11,451)
Non-controlling interests	14	88	254
		(21,457)	(11,197)
Total comprehensive (loss) income for the year attributable to:			
Equity owners of the Company		(18,040)	(5,595)
Non-controlling interests	14	113	320
		(17,927)	(5,275)
Loss per share attributable to equity owners of the Company			
Basic and diluted (HK cents)	12	(2.85)	(1.57)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment	15	20,080	16,253
Interests in associates	16	4,440	8,133
Cryptocurrencies	17	66	219
Deposits paid for property, plant and equipment	20	–	4,618
Deferred tax assets	25	5,649	5,551
		30,235	34,774
Current assets			
Inventories	18	7,004	11,151
Contract costs	19	704	495
Trade and other receivables	20	54,280	48,207
Tax recoverable		597	2,021
Pledged bank deposits	21	486	5,468
Bank balances and cash	21	30,719	31,235
		93,790	98,577
Current liabilities			
Trade and other payables	22	45,877	39,948
Interest-bearing borrowings and bank overdrafts	23	–	4,308
Lease liabilities	24	3,396	1,501
		49,273	45,757
Net current assets		44,517	52,820
Total assets less current liabilities		74,752	87,594
Non-current liabilities			
Trade and other payables	22	9,835	6,310
Interest-bearing borrowings and bank overdrafts	23	–	183
Lease liabilities	24	3,150	1,407
		12,985	7,900
NET ASSETS		61,767	79,694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Capital and reserves			
Share capital	26	7,565	7,565
Reserves		53,344	71,384
Equity attributable to equity owners of the Company		60,909	78,949
Non-controlling interests	14	858	745
TOTAL EQUITY		61,767	79,694

These consolidated financial statements on pages 110 to 185 were approved and authorised for issue by the Board of Directors on 23 September 2026 and signed on its behalf by

Yu Decai
Director

Tian Jia
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2026

	Attributable to equity owners of the Company							
	Reserves						Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Accumulated losses		
	HK\$'000 (Note 26)	HK\$'000 (Note 28(a))	HK\$'000 (Note 28(b))	HK\$'000 (Note 28(c))	HK\$'000 (Note 28(d))	HK\$'000	HK\$'000	HK\$'000
At 1 July 2024	7,200	113,509	(31,712)	3,442	(7,244)	(15,229)	69,966	70,391
(Loss) Profit for the year	-	-	-	-	-	(11,451)	(11,451)	(11,197)
Other comprehensive income (loss):								
<i>Items that may be reclassified subsequently to profit or loss:</i>								
Exchange difference arising on translation of foreign subsidiaries	-	-	-	-	5,915	-	5,915	5,981
Release of exchange reserve upon disposal of subsidiaries (Note 31)	-	-	-	-	(59)	-	(59)	(59)
Total comprehensive income (loss) for the year	-	-	-	-	5,856	(11,451)	(5,595)	(5,275)
Transactions with owners:								
<i>Contributions and distributions:</i>								
Issue of shares upon completion of the Placing 2025 (Note 26(ii))	365	14,213	-	-	-	-	14,578	14,578
Transfer to statutory reserve	-	-	-	88	-	(88)	-	-
<i>Change in ownership interest:</i>								
Release of statutory reserve upon disposal of subsidiaries	-	-	-	(3,441)	-	3,441	-	-
Total transactions with owners	365	14,213	-	(3,353)	-	3,353	14,578	14,578
At 30 June 2025	7,565	127,722	(31,712)	89	(1,388)	(23,327)	78,949	79,694

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2026

	Attributable to equity owners of the Company							
	Reserves						Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Statutory reserve	Exchange reserve	Accumulated losses		
	HK\$'000 (Note 26)	HK\$'000 (Note 28(a))	HK\$'000 (Note 28(b))	HK\$'000 (Note 28(c))	HK\$'000 (Note 28(d))	HK\$'000	Total HK\$'000	HK\$'000
At 1 July 2025	7,565	127,722	(31,712)	89	(1,388)	(23,327)	78,949	79,694
(Loss) Profit for the year	-	-	-	-	-	(21,545)	(21,545)	88
Other comprehensive income:								
Item that may be reclassified subsequently to profit or loss:								
Exchange difference arising on translation of foreign subsidiaries	-	-	-	-	3,505	-	3,505	25
Total comprehensive income (loss) for the year	-	-	-	-	3,505	(21,545)	(18,040)	113
At 30 June 2026	7,565	127,722	(31,712)	89	2,117	(44,872)	60,909	61,767

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
OPERATING ACTIVITIES			
Loss before tax		(21,228)	(12,885)
Adjustments for:			
Amortisation of contract costs		2,409	1,682
Depreciation of property, plant and equipment		9,074	19,955
Finance costs		404	353
Provision for impairment loss on trade receivables, net		981	–
Provision for (Reversal of) impairment loss of cryptocurrencies	17	153	(24)
Interest income from bank deposits		(125)	(177)
Gain on disposal of property, plant and equipment		(551)	(238)
Write-off of property, plant and equipment		269	–
Gain on termination of lease		(88)	–
Gain on disposal of subsidiaries	31	–	(5,461)
Share of results of associates		3,693	(4,130)
Operating cash outflows before movements in working capital		(5,009)	(925)
Changes in working capital:			
Trade and other receivables		(4,550)	(15,397)
Inventories		4,502	1,328
Contract costs		(2,602)	(950)
Trade and other payables		10,279	7,563
Cash generated from (used in) operations		2,620	(8,381)
Income tax refund		1,097	988
Net cash from (used in) operating activities		3,717	(7,393)
INVESTING ACTIVITIES			
Interest received		125	177
Purchase of property, plant and equipment		(7,525)	(7,627)
Deposits refunded for acquisition of property, plant and equipment, net		–	677
Release (Placement) of pledged bank deposits, net		5,157	(100)
Proceed from disposal of property, plant and equipment		4,484	1,678
Net cash outflow on disposal of subsidiaries	31	–	(154)
Net cash from (used in) investing activities		2,241	(5,349)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2026

	Notes	2026 HK\$'000	2025 HK\$'000
FINANCING ACTIVITIES			
Interest paid		(404)	(353)
Issue of share capital	26	–	14,578
Repayment of interest-bearing borrowings	30(a)	(255)	(52)
Repayment of lease liabilities	30(a)	(949)	(1,874)
Net cash (used in) from financing activities		(1,608)	12,299
Net increase (decrease) in cash and cash equivalents		4,350	(443)
Cash and cash equivalents at the beginning of the reporting period		26,991	26,622
Effect of foreign exchange rate changes		(622)	812
Cash and cash equivalents at the end of the reporting period		30,719	26,991
Analysis of the balances of cash and cash equivalents			
Bank balances and cash	21	30,719	31,235
Bank overdrafts	23(a)	–	(4,244)
		30,719	26,991

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 30 June 2026

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Byte Metaverse Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 5 June 2018. The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 9 December 2019 (the “**Listing**”). The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business in Malaysia and Chinese Mainland is situated at No.25, 25-1 & 25-3, Jalan MH 3, Taman Muzaffar Heights, 75450 Ayer Keroh, Melaka, Malaysia and Room 318, Unit 3, Building 1, Dabaihui Life and Health Industrial Park, No. 2028 Shenyang Road, East Community, Haishan Street, Yantian District, Shenzhen, Chinese Mainland, respectively.

The principal activity of the Company is investment holding. The Company together with its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in rendering of (i) network support services mainly encompassing network infrastructure design and hardware installation, network management and security services; (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services; (iii) electronic commerce (“**E-Commerce**”) services; and (iv) online game intellectual property (“**IP**”) authorisation management services.

In the opinion of the directors of the Company, the immediate and ultimate holding company of the Company is Thrive Harvest Limited, which is incorporated in the British Virgin Islands (the “**BVI**”).

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

The 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 (the “**IFRSs**”), IAS Standards (the “**IASs**”) and IFRIC Interpretations as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The 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**”).

The consolidated financial statements are presented in Hong Kong Dollar (“**HK\$**”) and all amounts have been rounded to the nearest thousand (“**HK\$’000**”), unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2025 consolidated financial statements except for the adoption of the new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current year as set out below.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Adoption of new/revised IFRS Accounting Standards

The Group has applied, for the first time, the following new/revised IFRS Accounting Standards that are relevant to the Group.

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.

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 equity holders 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income is attributed to the equity holders of the Company and the non-controlling interest even if this results in the non-controlling interest 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 equity holders 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.

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, which is presented in Note 27 to the consolidated financial statements, an investment in subsidiary is stated at cost less impairment loss. 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Associates

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

The Group's investment in associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill arising on an acquisition of an associate is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate. Such goodwill is included in interests in associates. On the other hand, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately in profit or loss as an income.

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, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives at the annual rate 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:

Leasehold land and buildings	Over remaining lease period
Staff quarters	2%
Furniture and fittings	10%
Office equipment	10%
Renovation and signboards	10% – 56%
Computers	20% – 40%
Motor vehicles	20%
Internet services equipment	17% – 50%

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

An item of 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.

Cryptocurrencies

Cryptocurrencies purchased are held by the Group through third-party custodian service provider, and are accounted for as intangible assets under cost model. The initial cost of acquiring cryptocurrencies is capitalised. The cryptocurrencies held by the Group are considered to have an indefinite life as the directors of the Company consider that there is no foreseeable limit on the period of time over which the cryptocurrencies can be used to generate economic benefits. Accordingly, they are carried at cost less accumulated impairment losses.

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 which are initially measured at their transaction price) 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.

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 investment 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

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, pledged bank deposits and bank balances and cash.

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, interest-bearing borrowings and bank overdrafts 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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
- (vi) external credit risk ratings

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Impairment of financial assets and other items (continued)

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 asset 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 asset 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.

As detailed in Note 32 to the consolidated financial statements, pledged bank deposits and bank balances and cash are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing component 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 includes observable data about the following events:

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;
- (iii) 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;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (v) the disappearance of an active market for that financial asset because of financial difficulties;
- (vi) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Impairment of financial assets and other items (continued)

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.

Cash equivalents

For the purpose of the consolidated statements 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, net of bank overdrafts.

Revenue recognition

Rental income

Rental income under operating leases is recognised when the assets are let out and on the straight-line basis over the lease term. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Such payments are recognised as income on the straight-line basis over the lease term. Other variable lease payments are recognised as income in the period in which the event or condition that triggers those payments occurs.

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:

- (i) Advertising income;
- (ii) Sales in E-commerce;
- (iii) Sales of hardware;
- (iv) Sales of social media exposure;
- (v) Online game IP authorisation management services;
- (vi) On-site installation of hardware;
- (vii) Network management and security services; and
- (viii) Network connectivity services

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers within IFRS 15 (continued)

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers within IFRS 15 (continued)

Timing of revenue recognition (continued)

Revenue from advertisements are recognised at a point in time when services are rendered.

Sales in E-commerce and sales of hardware are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Sales of social media exposure are recognised at a point in time when the credit of social platform is delivered to the customer.

On-site installation of hardware, network management and security services and network connectivity services are recognised over time by reference to the progress towards complete satisfaction of the performance obligation.

Online game IP authorisation management services is recognised at a point in time when rights to use are granted to the customer.

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Revenue from contracts with customers within IFRS 15 (continued)

Transaction price: significant financing components (continued)

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

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 assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, 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 a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For network management and security services and network connectivity services, it is common for the Group to receive from the customers the whole or some of the contractual payments before the services are completed or when the goods are delivered (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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Contract costs

Contract costs are either incremental costs of obtaining or costs (other than those that are accounted for as inventories or property, plant and equipment) to fulfil contracts with customers. Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses.

The costs to obtain contracts are capitalised if they are incremental and recoverable. The capitalised costs are amortised on a straight-line basis over the term of the specific existing and anticipated contracts to which the costs relate.

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 HK\$ and the consolidated financial statements are presented in HK\$ because the directors of the Company considered that HK\$ enables shareholders and potential investors of the Company to have a more accurate picture of the Group's financial performance.

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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (continued)

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, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, 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; and
- on all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, 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 weighted average cost 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, cryptocurrencies, the Company's investments in subsidiaries and the Group's investments in associates 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 have indefinite useful lives for impairment by estimating their recoverable amount on an annual basis and whenever there is an indication that those assets may be impaired. 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. 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.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 periods 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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

As lessee (continued)

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:

Leasehold land and buildings	Over remaining lease period
Motor vehicles	5 years

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

As lessee (continued)

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.

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

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.

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.

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 each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each 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 and does not give rise to equal taxable and deductible temporary differences 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.

2. PRINCIPAL ACCOUNTING POLICIES

Taxation (continued)

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 and associates, 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.

Related parties

A related party is a person or entity that is related to the Group, that is defined as:

- (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 a 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 a holding company of the Group.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Related parties (continued)

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.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to 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 nature of production processes, 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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty are as follows:

(i) Useful lives of property, plant and equipment

The management of the Group determines the estimated useful lives of the Group's property, plant and equipment based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. 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.

(ii) Impairment of property, plant and equipment

The management of the Group determines whether the Group's property, plant and equipment 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, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from property, plant and equipment, 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.

(iii) Allowance for inventories

The management of the Group reviews the inventory ageing analysis periodically and makes allowances for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group carries out the inventory review on a product-by-product basis and makes allowance at the end of each reporting period by reference to management's estimation of the net realisable value based on the latest market prices and current market conditions.

(iv) Loss allowance for ECL

The management of the Group estimates the loss allowance for trade 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 receivables.

(v) Identification of lease

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.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty are as follows: (continued)

(vi) Revenue recognition

The Group recognised revenue from on-site installation of hardware, network management and security services and network connectivity services over a period of time by reference to the progress towards complete satisfaction of the performance obligations of each project at the reporting date. The management has to assess the relevancy of performance obligations for each project and the allocate the transaction prices among various performance obligations in order to determine the recognition point(s) of revenue. The recognition of revenue is therefore owning to the inherent risk associated with the management's judgement.

(vii) Accounting for cryptocurrencies

IFRS Accounting Standards do not specifically address accounting for cryptocurrencies. Accordingly, for the preparation of the annual report, the management needs to apply judgement in determining appropriate accounting policies based on the facts and circumstances of the Group's acquisition and holding of cryptocurrencies.

Given the Group's purpose for holding cryptocurrencies and the non-monetary nature of cryptocurrencies, the management considered that cryptocurrencies purchased and held by the Group should be accounted for as indefinite-lived intangible assets accounted for under the cost model.

As disclosed in Note 17 to the consolidated financial statements, in determining fair values used for impairment tests, the management needs to apply judgement to identify the relevant available markets for trading of cryptocurrencies, and to consider accessibility to and activity within those markets in order to identify the principal cryptocurrency markets to ascertain the respective fair market values.

(viii) Impairment of interests in associates

The Group assesses annually if its interests in associates suffered any impairment in accordance with IAS 36. The assessment require an estimation of the recoverable amount of interests in associates, including the selection of appropriate multiples and discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause in the adjustments of their carrying amounts.

3. FUTURE CHANGES IN IFRS ACCOUNTING STANDARDS

At the date of authorisation of the consolidated financial statements, the IASB has issued the following new/revised IFRS Accounting Standards that are not yet effective for the current reporting period, 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 IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures ^[2]
IFRS 20	Regulatory Assets and Regulatory Liabilities ^[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[4]

^[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] Effective for annual periods beginning on or after 1 January 2029

^[4] The effective date to be determined

IFRS 18 “*Presentation and Disclosure in Financial Statements*”, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “*Presentation of Financial Statements*”. IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of IFRS 18 may affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group’s consolidated financial statements.

Save as disclosed above, the directors of the Company do not anticipate that the adoption of the new/revised IFRS Accounting Standards in future periods will have any material impact on the Group’s consolidated financial statements.

4. SEGMENT INFORMATION

The executive directors of the Company determines its operating segments based on the internal management reports prepared in accordance with accounting policies conform to IFRS Accounting Standards that are regularly reviewed by the executive directors of the Company, being identified as the chief operating decision maker (“**CODM**”), for the purpose of resources allocation and assessment of segment performance based on products and services offered by the Group to the customers. The CODM considers that the operating segments of the Group comprise:

- (i) network support services and network connectivity services in Malaysia and Chinese Mainland;
- (ii) E-commerce in Chinese Mainland; and
- (iii) Online game IP authorisation management in Chinese Mainland.

Segment results, which are the measures reported to CODM for the purposes of resources allocation and assessment of segment performance, represent the profit earned or loss incurred by each segment without allocation of other gains and losses, net, general administrative expenses and share of results of associates incurred by corporate office and income tax.

The Group’s geographical segments regarding revenue is attributed to the segments based on the location where services are provided.

No analysis of the Group’s assets and liabilities by operating segments is presented as it is not regularly provided to the CODM for review.

4. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the CODM of the Company for the reportable segments for the years ended 30 June 2026 and 2025 is as follows:

	Network support services and network connectivity services HK\$'000	E-Commerce HK\$'000	Online game IP authorisation management HK\$'000	Total HK\$'000
Year ended 30 June 2026				
Primary geographical markets				
Malaysia	71,119	–	–	71,119
Chinese Mainland	3,685	40,574	41,536	85,795
Reportable segment revenue	74,804	40,574	41,536	156,914
Reportable segment loss	(4,399)	(44)	(1,808)	(6,251)
Year ended 30 June 2025				
Primary geographical markets				
Malaysia	76,059	–	–	76,059
Chinese Mainland	166,679	16,858	36,608	220,145
Reportable segment revenue	242,738	16,858	36,608	296,204
Reportable segment loss	(9,394)	(3,158)	(147)	(12,699)

Reconciliation of reportable segment results

	2026 HK\$'000	2025 HK\$'000
Reportable segment loss	(6,251)	(12,699)
Unallocated income	774	9,597
Unallocated expenses	(15,751)	(9,783)
Loss before tax	(21,228)	(12,885)

4. SEGMENT INFORMATION (CONTINUED)*Geographical information*

The following sets out information about the geographical location of the Group's property, plant and equipment and cryptocurrencies (the "**Specified Non-current Assets**"). The geographical location of the property, plant and equipment is based on the physical location of the assets while cryptocurrencies are based on the location of the Company holding the assets.

Specified Non-current Assets

	2026 HK\$'000	2025 HK\$'000
Malaysia	14,488	11,357
Hong Kong	5,658	5,115
	20,146	16,472

Information about major customers

Revenue from customers individually contributing 10% or more of the total revenue of the Group for the years ended 30 June 2026 and 2025 is as follows:

	2026 HK\$'000	2025 HK\$'000
Customer A	40,710	Note
Customer B	33,263	–
Customer C	17,802	Note
Customer D	–	126,207

Note: The customer individually did not contribute 10% or more of the total revenue of the Group for the year ended 30 June 2025.

5. REVENUE

	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers within IFRS 15		
Advertising income	–	795
Sales in E-commerce	192	4,524
Sales of hardware	11,347	176,904
Sales of social media exposure	40,382	11,539
Online game IP authorisation management	41,536	36,608
Rendering of services		
– On-site installation of hardware	2,150	2,286
– Network management and security services	14,827	9,757
– Network connectivity services	39,557	46,182
	149,991	288,595
Revenue from other sources		
Revenue from lease of hardware under operating lease with fixed lease payments	6,923	7,609
	156,914	296,204
Timing of revenue recognition under IFRS 15		
At a point in time	93,457	230,370
Over time	56,534	58,225
	149,991	288,595

Unsatisfied or partially unsatisfied performance obligations

The amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at 30 June 2026 is approximately HK\$44,538,000 (2025: approximately HK\$56,611,000), of which approximately HK\$21,945,000 (2025: approximately HK\$37,002,000) and HK\$22,593,000 (2025: approximately HK\$19,609,000) are expected to be recognised as revenue within 12 months and over 1 year up to 4 years (2025: within 12 months and over 1 year up to 3 years), respectively.

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Year ended 30 June 2026

6. OTHER INCOME

	2026 HK\$'000	2025 HK\$'000
Interest income from bank deposits	125	177
Government subsidies (<i>Note</i>)	–	1
	125	178

Note: In the opinion of the management of the Group, there was no unfulfilled condition or contingency relating to the government subsidies.

7. OTHER GAINS AND LOSSES, NET

	2026 HK\$'000	2025 HK\$'000
Gain on disposal of property, plant and equipment	551	238
Gain on termination of lease	88	–
Gain on disposal of subsidiaries (<i>Note 31</i>)	–	5,461
Management fee income	206	–
Provision for impairment loss on trade receivables, net	(981)	–
Write-off of property, plant and equipment	(269)	–
Foreign exchange (loss) gain, net	(35)	50
	(440)	5,749

8. LOSS BEFORE TAX

This is stated after charging (crediting):

	2026 HK\$'000	2025 HK\$'000
Finance costs		
Interest expenses on interest-bearing borrowings and bank overdrafts	314	263
Interest expenses on lease liabilities	90	90
	404	353
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and benefits in kind	16,236	14,151
Contributions to defined contribution plans	1,761	1,555
	17,997	15,706
Other items		
Auditors' remuneration	950	1,450
Amortisation of contract costs	2,409	1,682
Cost of inventories	10,651	175,972
Depreciation of property, plant and equipment	9,074	19,955
Short-term lease payments	700	637
Provision for (Reversal of) impairment loss of cryptocurrencies	153	(24)
Research and development costs (<i>Note</i>)	2,001	1,162

Note: Research and development costs recognised as expenses included amounts relating to staff costs and depreciation of property, plant and equipment, which are also included in the respective expenses disclosed separately above.

9. INFORMATION ABOUT THE BENEFITS OF THE DIRECTORS*(a) Directors' remuneration*

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

The aggregate amounts of remuneration received and receivable by the directors of the Company during the years ended 30 June 2026 and 2025 are set out below.

Year ended 30 June 2026

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonus HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
<i>Executive directors</i>					
Mr. Hu Mingdai ¹	179	-	-	16	195
Mr. Tian Jia ²	61	-	-	-	61
Mr. Yu Decai	240	-	-	-	240
<i>Non-executive director</i>					
Ms. Jin Yangyang	240	-	-	-	240
<i>Independent non-executive directors</i>					
Mr. Ng Der Sian	120	-	-	-	120
Mr. Tan Chenhui ³	10	-	-	-	10
Mr. Shen Haipeng ⁴	165	-	-	-	165
Ms. Zheng Li Ping	120	-	-	-	120
	1,135	-	-	16	1,151

9. INFORMATION ABOUT THE BENEFITS OF THE DIRECTORS (CONTINUED)*(a) Directors' remuneration (continued)*

Year ended 30 June 2025

	Directors' fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Discretionary bonus HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
<i>Executive directors</i>					
Mr. Hu Mingdai ¹	240	–	–	3	243
Mr. Yu Decai	240	–	–	–	240
<i>Non-executive director</i>					
Ms. Jin Yangyang	240	–	–	–	240
<i>Independent non-executive directors</i>					
Mr. Ng Der Sian	135	–	–	–	135
Dr. Tsoi Chi Chuen Cheney ⁵	161	–	–	–	161
Mr. Shen Haipeng ⁴	19	–	–	–	19
Ms. Zheng Li Ping	135	–	–	–	135
	1,170	–	–	3	1,173

¹ Resigned on 30 March 2026² Appointed on 30 March 2026³ Appointed on 1 June 2026⁴ Appointed on 23 May 2025 and resigned on 1 June 2026⁵ Resigned on 23 May 2025

During the years ended 30 June 2026 and 2025, 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. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 30 June 2026 and 2025.

(b) Loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans or other dealings in favour of the directors that were entered into or subsisted during the years ended 30 June 2026 and 2025.

9. INFORMATION ABOUT THE BENEFITS OF THE DIRECTORS (CONTINUED)*(c) Director's material interests in transactions, arrangements or contracts*

After consideration, the directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company, or an entity connected with the directors, had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 30 June 2026 and 2025.

10. FIVE HIGHEST PAID INDIVIDUALS

None of the five highest paid individuals during the years ended 30 June 2026 and 2025 was a director of the Company. Details of the remuneration of the emoluments in respect of the five (2025: five) highest paid non-director individuals are as follows:

	2026 HK\$'000	2025 HK\$'000
Salaries, allowances and benefits in kind	3,868	3,132
Discretionary bonus	303	2,867
Contributions to defined contribution plans	475	402
	4,646	6,401

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

	Number of individuals	
	2026	2025
Nil to HK\$1,000,000	4	2
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	–	1
HK\$2,000,001 to HK\$2,500,000	–	1
	5	5

During the years ended 30 June 2026 and 2025, 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. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 30 June 2026 and 2025.

11. INCOME TAX EXPENSE (CREDIT)

	2026 HK\$'000	2025 HK\$'000
Current tax		
Malaysia Corporate Income Tax ("CIT")		
Current	159	234
Over provision in prior years	(5)	(127)
The People's Republic of China (The "PRC") Enterprise Income Tax ("EIT")		
Current	–	46
Over provision in prior years	–	(142)
	154	11
Deferred tax		
Changes in temporary differences (Note 25)	75	(1,699)
Total income tax expense (credit) for the year	229	(1,688)

The Group entities established in the Cayman Islands and the BVI are exempted from income tax.

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 years ended 30 June 2026 and 2025.

For the years ended 30 June 2026 and 2025, 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.

The Group's subsidiaries established in Chinese Mainland are subject to PRC EIT at 25% of the estimated assessable profits for the year based on the existing legislation, interpretations and practices in respect thereof.

11. INCOME TAX EXPENSE (CREDIT) (CONTINUED)*Reconciliation of income tax expense (credit)*

	2026 HK\$'000	2025 HK\$'000
Loss before tax	(21,228)	(12,885)
Income tax at statutory tax rates applicable in respective tax jurisdiction	(4,053)	(2,793)
Tax effect on non-taxable income	(581)	(2,258)
Tax effect on non-deductible expenses	3,820	2,961
Unrecognised tax losses	275	836
Utilisation of previously unrecognised tax losses	–	(189)
Over provision in prior years	(5)	(269)
Write-down of deferred tax assets	772	–
Others	1	24
Income tax expense (credit) for the year	229	(1,688)

The applicable tax rate is the weighted average of rates prevailing in the territories in which the Group's entities operate against profit or loss before tax. The change in applicable tax rate is caused by changes in the taxable results of the Group's subsidiaries in the respective countries in which the Group operates.

12. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the following information:

	2026 HK\$'000	2025 HK\$'000
Loss for the year attributable to the equity owners of the Company, used in basic and diluted loss per share calculation	(21,545)	(11,451)
	Number of shares	
	2026	2025
Weighted average number of ordinary shares for basic and diluted loss per share calculation	756,504,000	729,627,429

Diluted loss per share is the same as basic loss per share as there are no dilutive potential ordinary shares in existence during the years ended 30 June 2026 and 2025.

13. DIVIDENDS

No dividend has been declared nor paid by the Group for the years ended 30 June 2026 and 2025.

14. SUBSIDIARIES

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

Name of subsidiary	Place and date of incorporation/ establishment	Paid up/ registered capital	Attributable equity interest held by the Company		Principal activities/ place of operation	Legal form of corporate existence
			2026	2025		
Directly held						
Goodway Max Limited	The BVI, 29 June 2021	United States Dollars ("US\$") 1	100%	100%	Investment holdings, The BVI	Private limited liability company
Indirectly held						
IP Core Sdn. Bhd	Malaysia, 13 June 2007	Malaysian Ringgit ("RM") 500,000	100%	100%	Information, communication and technology, Malaysia	Private limited liability company
Metro Direct Carrier (M) Sdn. Bhd	Malaysia, 19 June 2013	RM200,000	100%	100%	Information, communication and technology, Malaysia	Private limited liability company
IP Core Network Sdn. Bhd. ("IPCN")	Malaysia, 16 July 2018	RM500,000	70%	70%	Information, communication and technology, Malaysia	Private limited liability company
Bitcoin World Technology Limited	Hong Kong, 16 December 2021	HK\$5,000,000	100%	100%	Investment holdings, Hong Kong	Private limited liability company
凉兮科技(深圳)有限公司 (Liangxi Technology (Shenzhen) Co., Limited*) (Note (i))	Chinese Mainland, 20 June 2023	Renminbi ("RMB") 10,000,000 (Note (iii))	100%	100%	Online game IP authorisation management, Chinese Mainland	Private limited liability company
智慧数字人科技(深圳)有限公司 (Intelligent Digital Human Technology (Shenzhen) Limited*) (Note (i))	Chinese Mainland, 4 August 2023	RMB1,000,000 (Note (iii))	100%	100%	E-commerce business and information, communication and technology, Chinese Mainland	Private limited liability company

* English translation for identification purpose only.

14. SUBSIDIARIES (CONTINUED)*Notes:*

- (i) Registered under the laws of the PRC as wholly-owned foreign enterprise.
- (ii) The registered share capital borne by the Group is RMB10,000,000 which was not yet paid up at the end of the reporting period.
- (iii) The registered share capital borne by the Group is RMB1,000,000 which was not yet paid up at the end of the reporting period.

Financial information of subsidiaries with individually material non-controlling interests ("NCI")

The following table shows the information relating to the non-wholly owned subsidiary, IPCN, that has material NCI. The summarised financial information represents amounts before inter-company eliminations.

	2026	2025
Proportion of NCI's ownership interests	30%	30%

14. SUBSIDIARIES (CONTINUED)

Financial information of subsidiaries with individually material non-controlling interests ("NCI") (continued)

	At 30 June 2026 HK\$'000	At 30 June 2025 HK\$'000
Non-current assets	201	45
Current assets	93,946	79,795
Current liabilities	(91,211)	(77,334)
Non-current liabilities	(75)	(22)
Net assets	2,861	2,484
Carrying amount of NCI	858	745
Revenue for the year	31,175	32,619
Expenses for the year	(30,880)	(31,773)
Profit for the year	295	846
Profit for the year attributable to NCI	88	254
Other comprehensive income attributable to NCI	25	66
Total comprehensive income for the year attributable to NCI	113	320
Net cash flows (used in) from:		
Operating activities	(8,093)	(9,376)
Investing activities	(505)	1
Financing activities	9,376	8,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 30 June 2026

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings HK\$'000	Staff quarters HK\$'000	Furniture and fittings HK\$'000	Office equipment HK\$'000	Renovation and signboards HK\$'000	Computers HK\$'000	Motor vehicles HK\$'000 (Note (i))	Internet services equipment HK\$'000 (Note (ii))	Total HK\$'000
Cost									
At 1 July 2024	5,300	2,574	213	108	1,624	51,146	4,219	16,298	81,482
Additions	2,165	-	20	69	1,041	2,141	-	4,356	9,792
Disposal	-	-	(8)	(2)	-	(12)	-	(6,597)	(6,619)
Disposal of subsidiaries (Note 31)	(1,639)	-	-	-	-	(411)	(1,400)	-	(3,450)
Exchange alignment	187	325	28	15	123	6,409	340	1,941	9,368
At 30 June 2025 and 1 July 2025	6,013	2,899	253	190	2,788	59,273	3,159	15,998	90,573
Additions	6,215	-	-	13	444	5,485	-	6,201	18,358
Disposal	-	-	-	(59)	(1,485)	(2,771)	(198)	-	(4,513)
Written off	(2,245)	-	-	-	(650)	(8)	-	(7,628)	(10,531)
Termination of lease	(2,092)	-	-	-	-	-	-	-	(2,092)
Exchange alignment	59	93	8	8	31	1,826	101	511	2,637
At 30 June 2026	7,950	2,992	261	152	1,128	63,805	3,062	15,082	94,432
Accumulated depreciation									
At 1 July 2024	2,326	278	172	66	1,058	39,328	2,172	9,149	54,549
Charge for the year	1,690	55	24	12	334	11,416	699	5,725	19,955
Disposal	-	-	(7)	(1)	-	(12)	-	(5,159)	(5,179)
Disposal of subsidiaries (Note 31)	(1,360)	-	-	-	-	(307)	(476)	-	(2,143)
Exchange alignment	16	38	21	9	85	5,527	256	1,186	7,138
At 30 June 2025 and 1 July 2025	2,672	371	210	86	1,477	55,952	2,651	10,901	74,320
Charge for the year	925	59	12	12	201	3,630	435	3,800	9,074
Disposal	-	-	-	(2)	(147)	(233)	(198)	-	(580)
Written off	(2,245)	-	-	-	(650)	(8)	-	(7,359)	(10,262)
Termination of lease	(523)	-	-	-	-	-	-	-	(523)
Exchange alignment	12	12	7	7	23	1,803	88	371	2,323
At 30 June 2026	841	442	229	103	904	61,144	2,976	7,713	74,352
Net carrying amounts									
At 30 June 2025	3,341	2,528	43	104	1,311	3,321	508	5,097	16,253
At 30 June 2026	7,109	2,550	32	49	224	2,661	86	7,369	20,080

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)*Notes:*

- (i) At 30 June 2025, the Group had motor vehicles with carrying amount of approximately HK\$238,000 held in trust under the name of a director of a subsidiary. At 30 June 2026, the motor vehicles has been fully depreciated.
- (ii) At 30 June 2026, the carrying amount of the Group's hardware included equipment held by the Group for leasing to customers under operating lease arrangement amounted to approximately HK\$7,369,000 (2025: approximately HK\$5,097,000).

16. INTERESTS IN ASSOCIATES

	2026 HK\$'000	2025 HK\$'000
Unlisted shares, at cost	3,000	3,000
Share of results	1,440	5,133
	4,440	8,133

Details of all the associates at the end of the reporting period are as follows:

Name of associates	Principal place of business and place of incorporation	Paid up/registered capital	Proportion of value of issued/registered capital indirectly held by the Company		Principal activities
			2026	2025	
Million Up Holdings Limited ("Million Up") (Note (i))	The BVI	US\$890	34.16%	34.16%	Investment holding
Yuen Meta (International) Securities Limited ("Yuen Meta") (Note (i))	Hong Kong	HK\$31,100,000	34.16%	34.16%	Provision of securities broking, placing and underwriting
Fantastic Adventure Holdings Limited ("Fantastic Adventure") (Note (ii))	The BVI	US\$890	34.16%	34.16%	Investment holding
Leo Asset Management Limited ("Leo Asset") (Note (ii))	Hong Kong	HK\$2,800,000	34.16%	34.16%	Provision of investment advisory and asset management service

All of the above associates are accounted for using equity method in the consolidated financial statements.

16. INTERESTS IN ASSOCIATES (CONTINUED)

Notes:

- (i) In view of the net liabilities position of Million Up and its subsidiary, Yuen Meta (collectively, the “**Million Up Group**”), the Group carried out an impairment assessment for the interests in Million Up Group at 30 June 2026, with reference to the assessment of the recoverable amount of interests in Million Up Group with reference to the business valuation of Million Up Group determined under a market based approach based on the multiples of price to sales to assess the market value of Million Up Group, which prepared by the management. The management is of the view that no impairment is provided for the year ended 30 June 2026.

In view of the carrying amount of interests of Million Up Group exceed its investment cost as at 30 June 2025. The management is of the view that no impairment is provided for the year ended 30 June 2025.

- (ii) In view of the net liabilities position of Fantastic Adventure and its subsidiary, Leo Asset (collectively, “**Fantastic Adventure Group**”), the Group carried out an impairment assessment for the interests in Fantastic Adventure Group at 30 June 2026 and 2025, with reference to the assessment of the recoverable amount of interests in Fantastic Adventure Group with reference to the business valuation of Fantastic Adventure Group determined under a market-based approach based on the multiples of price-to-sales to assess the market value of Fantastic Adventure Group, which prepared by the management. The management is of the view that no impairment is provided for the years ended 30 June 2026 and 2025.

Summarised financial information of associates are set out below, which represents amounts shown in the financial statements and adjusted by the Group for equity accounting purposes.

	Million Up Group HK\$'000	Fantastic Adventure Group HK\$'000
At 30 June 2026		
Summarised income statements		
Revenue	8,469	941
Expenses	(19,481)	(740)
(Loss) Profit and total comprehensive (loss) income for the year	(11,012)	201
Share of results of associates	(3,762)	69
Summarised balance sheet		
Non-current asset	93	–
Current assets	71,979	1,048
Current liabilities	(72,089)	(13,285)
Shareholder's equity	(17)	(12,237)
Group's ownership interests and voting rights	34.16%	34.16%
Group's share of equity	(6)	(4,180)
Fair value as at acquisition date	2,954	5,672
Carrying amount of interests	2,948	1,492

16. INTERESTS IN ASSOCIATES (CONTINUED)

At 30 June 2025	Million Up Group HK\$'000	Fantastic Adventure Group HK\$'000
<i>Summarised income statements</i>		
Revenue	21,727	493
Expenses	(9,870)	(261)
Profit and total comprehensive income for the year	11,857	232
Share of results of associates	4,051	79
<i>Summarised balance sheet</i>		
Non-current asset	117	–
Current assets	109,001	974
Current liabilities	(98,123)	(13,412)
Shareholder's equity	10,995	(12,438)
Group's ownership interests and voting rights	34.16%	34.16%
Group's share of equity	3,756	(4,249)
Fair value as at acquisition date	2,954	5,672
Carrying amount of interests	6,710	1,423

17. CRYPTOCURRENCIES**XDagger**
HK\$'000

Reconciliation of carrying amount – year ended 30 June 2025

At 1 July 2024

195

Reversal of impairment loss

24

At 30 June 2025

219

Reconciliation of carrying amount – year ended 30 June 2026

At 1 July 2025

219

Impairment loss

(153)**At 30 June 2026****66**

At 30 June 2025

Cost

1,000

Accumulated impairment losses

(781)

219

At 30 June 2026

Cost

1,000

Accumulated impairment losses

(934)**66**

On 30 October 2022, the Group purchased a total of approximately 8,353,000 units of XDAG (XDagger) on the cryptocurrency trading platform in open market at an aggregate consideration of approximately HK\$1,000,000.

17. CRYPTOCURRENCIES (CONTINUED)*Impairment assessments*

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

The recoverable amount of the cryptocurrencies are determined based on fair value less costs of disposal. In determining the fair values, the relevant available markets are identified by the Group, and the Group consider accessibility to, and activity within those markets in order to identify the principal cryptocurrency markets for the Group. The fair value of XDagger traded in active markets (such as trading and exchange platforms) is determined based on quoted market prices at the end of the reporting period.

At 30 June 2026, the Group carried out an impairment test for XDagger. Based on the impairment test, the recoverable amount of XDagger was lower than the carrying amount, therefore provision for impairment loss of approximately HK\$153,000 was recognised in profit or loss by the Group during the year ended 30 June 2026 (*2025: the recoverable amount of XDagger was higher than the carrying amount, therefore reversal of impairment loss of approximately HK\$24,000 was recognised in profit or loss by the Group*).

18. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Finished goods	7,004	11,151

19. CONTRACT COSTS

	2026 HK\$'000	2025 HK\$'000
Costs to obtain contracts	704	495

Costs to obtain contracts relate to incremental commission fees and referral fees paid to sales representatives and a related company, IPSYNC Net Sdn Bhd ("**IPSYNC**"), respectively, as a result of obtaining contracts. The costs are amortised on a straight-line basis over the contract period. During the year ended 30 June 2026, approximately HK\$2,409,000 (*2025: approximately HK\$1,682,000*) has been recognised in profit or loss as selling expenses.

At 30 June 2026, the contract costs that are expected to be recognised in profit or loss as selling expenses after more than 12 months are approximately HK\$238,000 (*2025: approximately HK\$97,000*).

20. TRADE AND OTHER RECEIVABLES

	Notes	2026 HK\$'000	2025 HK\$'000
Billed trade receivables			
To a related party			
– Goods and services	20(b)	–	156
To third parties			
– Goods and services		33,647	28,916
– Operating lease receivables		5,830	2,517
Less: Loss allowances	32	(1,010)	(161)
		38,467	31,428
Unbilled trade receivables (Note)			
To third parties			
– Goods and services		6,152	7,598
– Operating lease receivables		1,071	1,863
		7,223	9,461
Total trade receivables	20(a)	45,690	40,889
Other receivables		352	291
Deposits paid for property, plant and equipment	20(c)	–	4,618
Refundable deposits		838	683
Prepayments		7,400	6,344
		54,280	52,825
Current		54,280	48,207
Non-current		–	4,618
		54,280	52,825

Note: Unbilled trade receivables represent the remaining balances of receivables for services rendered but not yet billed at the end of reporting period. There is a decrease in the overall contract activities and customer base of the Group for the year ended 30 June 2026 and the ongoing contracts at the end of the reporting period, thereby decreasing the amount arising from the recognition of revenue.

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in Note 32 to the consolidated financial statements.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)*(a) Trade receivables*

The Group normally grants credit period of 30 days, from the date of issuance of invoices, to its customers.

The ageing analysis of trade receivables, net of loss allowances, based on invoice date at the end of the reporting period is as follows:

	2026 HK\$'000	2025 HK\$'000
Within 30 days	14,907	7,620
31 to 60 days	6,896	7,281
61 to 90 days	1,767	2,750
Over 90 days	14,899	13,777
	38,469	31,428
Not yet billed	7,221	9,461
	45,690	40,889

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

	2026 HK\$'000	2025 HK\$'000
Not yet due	22,128	17,081
Past due:		
Within 30 days	6,896	7,281
31 to 60 days	1,767	2,750
61 to 90 days	1,943	1,255
Over 90 days	12,956	12,522
	23,562	23,808
	45,690	40,889

20. TRADE AND OTHER RECEIVABLES (CONTINUED)*(b) Trade receivables – from a related party*

The amount due from a related party is trade in nature and is unsecured, interest-free and have no fixed repayment term. At the end of the reporting period, no provision had been made for non-repayable of the amounts due.

Name of related party	Outstanding amount		At 30 June 2025 HK\$'000
	Greatest during the year HK\$'000	At 30 June 2026 HK\$'000	
IPSYNC	156	–	156

At 30 June 2025, the director of the Company's subsidiary was the director of the related company, IPSYNC. The amount has been settled during the year ended 30 June 2026.

(c) Deposits paid for property, plant and equipment

Deposits paid for property, plant and equipment at 30 June 2025 comprise deposit paid for the purchase of internet services equipment to provide the cloud artificial intelligent computing for coming project. The transaction was completed on 1 August 2025.

21. CASH AND CASH EQUIVALENTS

	Notes	2026 HK\$'000	2025 HK\$'000
Pledged bank deposits	21(a)	486	5,468
Bank balances and cash		30,719	31,235
		31,205	36,703

(a) Pledged bank deposits

At 30 June 2025, pledged bank deposits were used to secure the interest-bearing borrowing of the Group. Following the full settlement of the related interest-bearing borrowing during the year, no interest-bearing borrowing secured by the pledge bank deposits remained outstanding at 30 June 2026. The pledged bank deposits of approximately HK\$386,000 (2025: approximately HK\$230,000) are continued to be held in trust under the name of directors of a subsidiary.

The fixed deposits with licensed banks bearing annual interest rates ranging from 1.95% to 2.10% (2025: 1.50% to 2.50%) during the year ended 30 June 2026.

22. TRADE AND OTHER PAYABLES

	Notes	2026 HK\$'000	2025 HK\$'000
Trade payables			
To a related party	22(b)	–	311
To third parties		12,573	9,623
	22(a)	12,573	9,934
Contract liabilities	22(c)	13,528	10,268
Other payables			
Other payables	22(d)	25,337	22,195
Accrued expenses		3,936	3,306
Sales and services tax payable		338	555
		29,611	26,056
		55,712	46,258
Current		45,877	39,948
Non-current		9,835	6,310
		55,712	46,258

(a) Trade payables

The trade payables are interest-free and with normal credit terms ranging from 30 to 60 days.

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

	2026 HK\$'000	2025 HK\$'000
Within 30 days	7,784	5,709
31 to 60 days	62	719
61 to 90 days	703	401
Over 90 days	4,024	3,105
	12,573	9,934

22. TRADE AND OTHER PAYABLES (CONTINUED)*(b) Trade payables – to a related party*

At 30 June 2025, the amount due was trade in nature and was unsecured, interest-free and had no fixed repayment term. The director of the Company's subsidiary was the director of IPSYNC. The amount has been settled during the year ended 30 June 2026.

(c) Contract liabilities

Contract liabilities related to receipts from customers of network management and security services and network connectivity services based on contract terms and exceed the revenue recognised up to the end of the reporting period.

The Group typically received six months to two years of service fee in advance from customers on acceptance of contracts. The advance payment schemes result in contract liabilities being recognised throughout contracted service period.

The movements (excluding those arising from increases and decreases both occurred within the same reporting period) of contract liabilities from contracts with customers within IFRS 15 during the years ended 30 June 2026 and 2025 are as follows:

	2026 HK\$'000	2025 HK\$'000
At the beginning of the reporting period	10,268	12,951
Receipt of advanced payments	7,535	4,638
Recognised as revenue	(4,623)	(8,741)
Exchange alignment	348	1,420
At the end of the reporting period	13,528	10,268

At 30 June 2026, the contract liabilities that are expected to be settled after more than 12 months are approximately HK\$8,703,000 (2025: approximately HK\$6,310,000).

(d) Other payables

At 30 June 2026, other payables included (i) amounts due to a shareholder of HK\$13,879,000 and HK\$700,000 which are unsecured, interest-free and repayable on 25 September 2026 and 29 December 2026, respectively; (ii) amount due to a related company of approximately HK\$694,000 which is unsecured, interest-free and repayable on 31 December 2026. The key management personnel of the Company, Mr. Hu Mingdai, owns 33% equity interest in the related company; and (iii) management fee income received in advance of approximately HK\$2,471,000.

22. TRADE AND OTHER PAYABLES (CONTINUED)*(d) Other payables (continued)*

At 30 June 2025, other payables included (i) amounts due to a shareholder of HK\$3,000,000 and HK\$13,300,000 which are unsecured, interest-free and repayable on 2 July 2025 and 31 December 2025, respectively; and (ii) amount due to a related company of HK\$7,000 which are unsecured, interest-free and have no fixed repayment term. The director of the Company's subsidiary was the director of the related company.

23. INTEREST-BEARING BORROWINGS AND BANK OVERDRAFTS

At 30 June 2025, the details of interest-bearing borrowings and bank overdrafts of the Group as follows:

	Notes	2025 HK\$'000
Bank overdrafts – secured	23(a)	4,244
Interest-bearing borrowings – secured	23(b)	247
		<u>4,491</u>
Current		4,308
Non-current		<u>183</u>
		<u>4,491</u>

(a) Bank overdrafts – secured

At 30 June 2025, bank overdrafts bore interest at Malaysia Base Lending Rate (“BLR”) plus 1% per annum and were expected to be settled within 12 months.

During the year ended 30 June 2026, the bank overdrafts were fully settled and the banking facility was cancelled.

23. INTEREST-BEARING BORROWINGS AND BANK OVERDRAFTS (CONTINUED)*(b) Interest-bearing borrowings – secured*

	2025 HK\$'000
Carrying amounts of the above borrowings are repayable:	
Within one year	64
More than one year, but not exceeding two years	69
More than two years, but not exceeding five years	114
	247
Less: amounts shown under current liabilities	(64)
	183
Amounts shown under non-current liabilities	183

At 30 June 2025, the interest-bearing borrowings represented amounts due to various banks in Malaysia which were repayable over five years since its inception. The amounts due were presented based on scheduled repayment dates set out in the loan agreements.

At 30 June 2025, interest-bearing borrowings bore interest at BLR plus 1.0% to 1.3% per annum. The effective interest rate on interest-bearing borrowings at 30 June 2025 was 7.2% per annum.

At 30 June 2025, the interest-bearing borrowings and bank overdrafts were secured by:

- (i) fixed bank deposits of approximately HK\$5,468,000, as set out in Note 21 in the consolidated financial statements; and
- (ii) corporate guarantee by the Company and a subsidiary of the Group.

During the year ended 30 June 2026, all interest-bearing borrowings have been fully settled.

24. LEASES*The Group as lessor***Operating lease**

The Group leases certain of its internet services equipment (included in property, plant and equipment) to third parties under operating leases, which generally had an initial non-cancellable lease term of 1 to 4 years (*2025: 1 to 3 years*). The leases do not include purchase or termination options.

Below is a maturity analysis of undiscounted lease payments to be received from the property, plant and equipment subject to an operating lease.

	2026 HK\$'000	2025 HK\$'000
Year 1	3,559	6,203
Year 2	2,430	2,657
Year 3	1,981	749
Year 4	1,841	–
	9,811	9,609

The Group purchased internet services equipment with warranty included to protect it against any loss that may arise from accidents or physical damages.

24. LEASES (CONTINUED)*The Group as lessee***Right-of-use assets**

	Leasehold land and buildings HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost			
At 1 July 2024	3,914	2,502	6,416
Additions	2,165	–	2,165
Disposal of subsidiaries	(1,639)	–	(1,639)
Exchange alignment	12	316	328
At 30 June 2025 and 1 July 2025	4,452	2,818	7,270
Additions	6,215	–	6,215
Written off	(2,245)	–	(2,245)
Termination of lease	(2,092)	–	(2,092)
Exchange alignment	9	90	99
At 30 June 2026	6,339	2,908	9,247
Accumulated depreciation			
At 1 July 2024	2,182	1,617	3,799
Charge for the year	1,675	535	2,210
Disposal of subsidiaries	(1,360)	–	(1,360)
Exchange alignment	(3)	233	230
At 30 June 2025 and 1 July 2025	2,494	2,385	4,879
Charge for the year	908	404	1,312
Written off	(2,245)	–	(2,245)
Termination of lease	(523)	–	(523)
Exchange alignment	6	79	85
At 30 June 2026	640	2,868	3,508
Net carrying amounts			
At 30 June 2025	1,958	433	2,391
At 30 June 2026	5,699	40	5,739

24. LEASES (CONTINUED)*The Group as lessee (continued)***Lease liabilities**

	2026 HK\$'000	2025 HK\$'000
Current	3,396	1,501
Non-current	3,150	1,407
	6,546	2,908

At 30 June 2026 and 2025, the Group leases various buildings and motor vehicles for its operation. Lease contracts are entered into for fixed term of more than 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has recognised the following amounts relating to leases during the years ended 30 June 2026 and 2025:

	2026 HK\$'000	2025 HK\$'000
Interest expenses on lease liabilities	90	90
Depreciation of right-of-use assets	1,312	2,210

The total cash outflow for leases was approximately HK\$1,649,000 (2025: approximately HK\$2,511,000) for the year ended 30 June 2026.

25. DEFERRED TAXATION

The movements in the Group's deferred tax assets (liabilities) for the reporting period were as follows:

	2026 HK\$'000	2025 HK\$'000
At the beginning of the reporting period	5,551	3,340
(Charged) Credited to profit or loss (Note 11)	(75)	1,699
Exchange alignment	173	512
At the end of the reporting period	5,649	5,551

25. DEFERRED TAXATION (CONTINUED)

Recognised deferred tax assets (liabilities) at the end of the reporting period represent the following:

	Contract costs HK\$'000	Contract liabilities HK\$'000	Capital allowances HK\$'000	Accelerated accounting depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 July 2024	(154)	3,104	2,395	(2,464)	459	3,340
Credited (Charged) to profit or loss	88	(867)	(469)	2,631	316	1,699
Exchange alignment	(15)	346	277	(171)	75	512
At 30 June 2025 and 1 July 2025	(81)	2,583	2,203	(4)	850	5,551
Credited (Charged) to profit or loss	72	453	660	(488)	(772)	(75)
Exchange alignment	(3)	84	73	(3)	22	173
At 30 June 2026	(12)	3,120	2,936	(495)	100	5,649

At 30 June 2026, the Group had deductible temporary differences arising from contract liabilities of approximately HK\$13,528,000 (2025: approximately HK\$10,268,000) that are available for offsetting against future taxable profits of the companies in which the losses arose.

Unrecognised deferred tax assets

At 30 June 2026, the unused tax losses arising in Chinese Mainland of approximately HK\$156,000 (2025: approximately HK\$152,000) and Malaysia of approximately HK\$4,362,000 (2025: Nil) can be carried forward for 5 consecutive years and 10 consecutive years of assessment, respectively, i.e. from the years of assessment 2026 to 2030 (2025: 2025 to 2029) and 2026 to 2035, respectively.

26. SHARE CAPITAL

	2026		2025	
	No. of shares	HK\$	No. of shares	HK\$
Ordinary share of HK\$0.01 each				
Authorised:				
At the beginning and at the end of the reporting period	10,000,000,000	100,000,000	10,000,000,000	100,000,000
Issued and fully paid:				
At the beginning of the reporting period	756,504,000	7,565,040	720,000,000	7,200,000
Issue of new shares upon the Placing 2025 (Note (i))	–	–	36,504,000	365,040
At the end of the reporting period	756,504,000	7,565,040	756,504,000	7,565,040

Note:

- (i) On 26 March 2025, the placing of an aggregate of 36,504,000 shares have been successfully placed to not less than six places, independent third parties, at a placing price of HK\$0.41 per share (the “**Placing 2025**”). These shares rank pari passu with all existing shares in all respects. None of the places have become a controlling shareholder or a substantial shareholder of the Company immediately upon completion of the Placing 2025. Upon completion of the Placing 2025, the net proceeds, after deducting the placing commission and other related expenses incurred, are approximately HK\$14,578,000. Among the net proceeds, there were approximately HK\$14,213,000 credited to the Company’s equity under “Share premium”.

27. 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 is set out below:

	Notes	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Investments in subsidiaries		–	–
Current assets			
Amounts due from subsidiaries		62,204	74,568
Bank balances and cash		33	102
		62,237	74,670
Current liabilities			
Other payable		145	25
Amounts due to subsidiaries		1,326	6
		1,471	31
Net current assets		60,766	74,639
NET ASSETS		60,766	74,639
Capital and reserves			
Share capital	26	7,565	7,565
Reserves	27(a)	53,201	67,074
TOTAL EQUITY		60,766	74,639

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 23 September 2026 and signed on its behalf by

Yu Decai
Director

Tian Jia
Director

27. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)*(a) Movement of the reserves*

	Share premium HK\$'000 (Note 28(a))	Accumulated losses HK\$'000	Total HK\$'000
At 1 July 2024	113,509	(52,622)	60,887
Loss for the year and total comprehensive loss for the year	–	(8,026)	(8,026)
Issue of shares upon completion of Placing 2025 (Note 26(i))	14,213	–	14,213
At 30 June 2025 and 1 July 2025	127,722	(60,648)	67,074
Loss for the year and total comprehensive loss for the year	–	(13,873)	(13,873)
At 30 June 2026	127,722	(74,521)	53,201

28. RESERVES*(a) Share premium*

Share premium 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.

(b) Merger reserve

For the consolidated statement of financial position of the Group and the statement of financial position of the Company, merger reserve 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 the preparation of the listing of the Company's share, and the Company, respectively, less consideration paid to acquire the relevant interests (if any) upon completion of the reorganisation.

28. RESERVES (CONTINUED)

(c) *Statutory reserve*

In accordance with the relevant laws and regulations in Chinese Mainland and the relevant articles of association of the group entities incorporated in Chinese Mainland (the “**Chinese Mainland Subsidiaries**”), it is required to appropriate 10% of the annual statutory net profits of the Chinese Mainland Subsidiaries, after offsetting any prior years’ losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing the net profit. When the balance of the statutory surplus reserve fund reaches 50% of the paid-up capital of the Chinese Mainland subsidiaries, any further appropriation is at the discretion of shareholders. The statutory surplus reserve fund can be used to offset prior years’ losses, if any, and may be converted into paid-up capital provided that the remaining balance of the statutory surplus reserve fund after such conversion is no less than 25% of the paid-up capital.

(d) *Exchange reserve*

Exchange reserve of the Group comprises all foreign exchange differences arising from translation of the financial statements of the Group’s subsidiaries. The reserve is dealt with in accordance with the accounting policies as set out in Note 2 to the consolidated financial statements.

29. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the years ended 30 June 2026 and 2025, the Group had the following transactions with related parties:

(a) *Transactions with related parties:*

During the year ended 30 June 2026, (i) consultancy services fee approximately HK\$10,000 and (ii) referral fees of approximately HK\$1,545,000 were recognised in profit or loss as selling expenses, with a related company, IPSYNC, which the director of the related company was one of the directors of the Group’s subsidiary.

During the year ended 30 June 2025, (i) service fee of approximately HK\$1,218,000 was incurred from a related company which Mr. Hu Mingdai owns 33% equity interest in the related company, and (ii) sales of network connectivity services approximately HK\$156,000, purchases of consultancy services approximately HK\$311,000 and payments on behalf of approximately HK\$7,000 were incurred with a related company, IPSYNC, which the director of the related company was one of the directors of the Group’s subsidiary.

29. RELATED PARTY TRANSACTIONS (CONTINUED)*(b) Remuneration for key management personnel (including directors) of the Group:*

	2026 HK\$'000	2025 HK\$'000
Salaries, discretionary bonus, allowances and benefits in kind	2,486	1,265
Contributions to defined contribution plans	45	5
	2,531	1,270

Further details of the directors' remuneration are set out in Note 9 to the consolidated financial statements.

30. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS*(a) Reconciliation of liabilities arising from financing activities*

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

	At 1 July 2025 HK\$'000	Net cash flows HK\$'000	Non-cash changes			At 30 June 2026 HK\$'000
			Additions HK\$'000	Termination of lease HK\$'000	Exchange alignment HK\$'000	
Year ended 30 June 2026						
Interest-bearing borrowings	247	(255)	-	-	8	-
Leases liabilities	2,908	(949)	6,215	(1,657)	29	6,546
Total liabilities from financing activities	3,155	(1,204)	6,215	(1,657)	37	6,546

	At 1 July 2024 HK\$'000	Net cash flows HK\$'000	Non-cash changes			At 30 June 2025 HK\$'000
			Additions HK\$'000	Disposal of subsidiaries HK\$'000 (Note 31)	Exchange alignment HK\$'000	
Year ended 30 June 2025						
Interest-bearing borrowings	270	(52)	-	-	29	247
Leases liabilities	2,777	(1,874)	2,165	(289)	129	2,908
Total liabilities from financing activities	3,047	(1,926)	2,165	(289)	158	3,155

30. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statement, the Group has following major non-cash transactions:

During the year ended 30 June 2026, the Group recognised right-of-use assets of approximately HK\$6,215,000 (2025: approximately HK\$2,165,000) and lease liabilities of approximately HK\$6,215,000 (2025: approximately HK\$2,165,000).

31. DISPOSAL OF SUBSIDIARIES

On 30 December 2024, the Group disposed the entire equity interests in Michong Technology Information (Shenzhen) Co., Limited (“**Michong (Shenzhen)**”) and its subsidiaries, Michong (Hubei) Technology Industry Co., Ltd. (“**Michong (Hubei)**”) and Michong Interconnected Network (Wuhan) Co., Ltd., (“**Michong (Wuhan)**”) (collectively referred to as the “**Michong Group**”) to an independent third party at a consideration of approximately RMB1 (equivalent to approximately HK\$1) (the “**Disposal**”).

Upon completion of the Disposal on 30 December 2024, the Michong Group was ceased to be subsidiaries of the Group and the financial results and financial position of the Michong Group will no longer be consolidated into the consolidated financial statements of the Group. Details of the Disposal are as follows:

	Michong Group HK\$'000
Net liabilities disposed of	
Property, plant and equipment	1,307
Inventories	62
Trade and other receivables	3,477
Restricted bank deposits	8,504
Bank balances and cash	154
Trade and other payables	(18,617)
Lease liabilities	(289)
	(5,402)
Release of exchange reserve upon disposal of subsidiaries	(59)
Gain on disposal of subsidiaries (Note 7)	5,461
Consideration	—*

31. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Analysis of net outflow of cash and cash equivalents in respect of the Disposal during the year ended 30 June 2025 is as follows:

	HK\$'000
Cash consideration	—*
Cash and cash equivalents disposed of	(154)
Net outflow of cash and cash equivalents	(154)

* Represent amounts less than HK\$1,000.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise pledged bank deposits, bank balances and cash, interest-bearing borrowings and bank overdrafts and lease liabilities. The Group has various other financial instruments such as trade and other receivables and trade and other payables, which arise directly from its business activities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group generally adopts conservative strategies on the Group's risk management and limits the Group's exposure to these risks to a minimum. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

At 30 June 2026, the Group had no exposure to interest rate risk.

At 30 June 2025, the Group's exposure to market risk for changes in interest rates related primarily to the Group's interest-bearing borrowings and bank overdrafts with floating interest rates of approximately HK\$4,491,000. The Group did not have a policy to hedge against the interest rate risk as the management of the Group did not expect any significant interest rate risk at the end of the reporting period.

At the end of the reporting period, if interest rates had been 50 basic point higher/lower and all other variables were held constant, the Group's pre-tax loss would increase/decrease by approximately HK\$22,000 for the year ended 30 June 2025.

The sensitivity analysis above has been determined assuming that the changes in interest rate had occurred throughout the year and had been applied to the exposure to interest rate risk for the closing balance of interest-bearing borrowings and bank overdrafts in existence at the end of the reporting period. The stated changes represent management's assessment of a reasonably possible change in interest rates over the reporting period.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)*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 Malaysia and Chinese Mainland denominated in RM and RMB, respectively. As at 30 June 2026, 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. RM, RMB and HK\$ (2025: RM, RMB and HK\$), 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.

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, pledged bank deposits and bank balances and cash. The Group limits its exposure to credit risk by selecting the counterparties with reference to their past credit history and/or market reputation. The Group's maximum exposure to the credit risk is summarised as follows:

	2026 HK\$'000	2025 HK\$'000
Trade and other receivables	46,880	41,863
Pledged bank deposits	486	5,468
Bank balances and cash	30,719	31,235
	78,085	78,566

Trade receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 days.

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.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)*Credit risk (continued)***Trade receivables (continued)**

At 30 June 2026, the Group had a concentration of credit risk as approximately 36% (2025: 20%) of the total trade receivables was due from the Group's largest customers, and approximately 69% (2025: 61%) of the total trade receivables was due from the Group's five largest customers.

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 ECL for trade receivables and recognises loss allowances 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 years ended 30 June 2026 and 2025.

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix at 30 June 2026 and 2025 are summarised below.

At 30 June 2026

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000	Credit- impaired
Trade receivables					
Not past due	0.00%	22,128	–	22,128	No
1 – 30 days past due	0.00%	6,896	–	6,896	No
31 – 60 days past due	0.00%	1,767	–	1,767	No
61 – 90 days past due	0.00%	1,943	–	1,943	No
Over 90 days past due	7.23%	13,966	(1,010)	12,956	No
		46,700	(1,010)	45,690	

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)*Credit risk (continued)***Trade receivables (continued)**

At 30 June 2025

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000	Credit- impaired
Trade receivables					
Not past due	0.00%	17,081	–	17,081	No
1 – 30 days past due	0.00%	7,281	–	7,281	No
31 – 60 days past due	0.00%	2,750	–	2,750	No
61 – 90 days past due	0.00%	1,255	–	1,255	No
Over 90 days past due	1.27%	12,683	(161)	12,522	No
		41,050	(161)	40,889	

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

At 30 June 2026, the Group recognised the loss allowances of approximately HK\$1,010,000 (2025: approximately HK\$161,000) on the trade receivables. The movement in the loss allowances for trade receivables during the years ended 30 June 2026 and 2025 is summarised below.

	2026 HK\$'000	2025 HK\$'000
At the beginning of the reporting period	161	447
Disposal of subsidiaries	–	(305)
Written off	(141)	–
Increase in allowance	981	–
Exchange alignment	9	19
At the end of the reporting period	1,010	161

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)*Credit risk (continued)****Other receivables***

The Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. 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 historical actual credit loss experience and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.

During the year ended 30 June 2025, the loss allowances had been fully derecognised upon the completion of the Disposal. The movement in the loss allowances for other receivables during the year ended 30 June 2025 was summarised below.

	2025 HK\$'000
At the beginning of the reporting period	901
Disposal of subsidiaries	(901)
At the end of the reporting period	–

During the year ended 30 June 2026, no impairment on other receivables is recognised based on the measurement on 12-month ECL.

Pledged bank deposits and bank balances and cash

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

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)*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 each reporting period, based on the contractual undiscounted payments, is summarised below:

	Total carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	On demand or less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000
At 30 June 2026					
Trade and other payables	41,846	41,846	40,714	1,132	–
Lease liabilities	6,546	6,726	3,551	3,145	30
	48,392	48,572	44,265	4,277	30
At 30 June 2025					
Trade and other payables	35,435	35,435	35,435	–	–
Interest-bearing borrowings and bank overdrafts	4,491	4,529	4,325	81	123
Lease liabilities	2,908	3,032	1,588	1,173	271
	42,834	42,996	41,348	1,254	394

33. FAIR VALUE MEASUREMENTS

The carrying amount of the financial assets and liabilities carried at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period due to the relative short-term maturity of these financial instruments.

34. 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 of the Company. The Group manages its capital structure and makes adjustments, including payment of dividend, call for additional capital from equity owners of the Company or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 30 June 2026 and 2025.

35. COMMITMENTS

Capital expenditure commitments:

	2026 HK\$'000	2025 HK\$'000
Contracted but not provided for acquisition of intangible assets	–	6,000

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out below:

RESULTS

	2026 HK\$'000	For the year ended 30 June			2022 HK\$'000 (restated)
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	
Revenue	156,914	296,204	107,403	131,737	112,398
(Loss) Profit before tax	(21,228)	(12,885)	(30,314)	21,274	(37,891)
Income tax (expense) credit	(229)	1,688	1,531	(992)	(302)
(Loss) Profit for the year	(21,457)	(11,197)	(28,783)	20,282	(38,193)

ASSETS AND LIABILITIES

	2026 HK\$'000	For the year ended 30 June			2022 HK\$'000 (restated)
		2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	
Total assets	124,025	133,351	133,308	120,249	153,858
Total liabilities	(62,258)	(53,657)	(62,917)	(45,976)	(97,949)
Total equity	61,767	79,694	70,391	74,273	55,909