ISP Global Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8487



ANNUAL REPORT

2025/26

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Cao Chunmeng (Chairman)
Mr. Han Bing (Chief Executive Officer)
Mr. Yuan Shuangshun (Resigned on 31 March 2026)
Mr. Mong Kean Yeow
Ms. Choon Shew Lang

NON-EXECUTIVE DIRECTOR

Mr. Qiu Yingming

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tang Chi Wai
Mr. Yan Xiaotian
Mr. Zheng Xiaorong

AUDIT COMMITTEE

Mr. Tang Chi Wai (Chairman)
Mr. Yan Xiaotian
Mr. Zheng Xiaorong

REMUNERATION COMMITTEE

Mr. Yan Xiaotian (Chairman)
Mr. Tang Chi Wai
Mr. Han Bing

NOMINATION COMMITTEE

Mr. Cao Chunmeng (Chairman)
Ms. Choon Shew Lang
Mr. Tang Chi Wai
Mr. Yan Xiaotian
Mr. Zheng Xiaorong

COMPANY SECRETARY

Mr. Chan Kwok Wai

AUTHORISED REPRESENTATIVES

Mr. Cao Chunmeng (Appointed on 31 March 2026)
Mr. Yuan Shuangshun (Resigned on 31 March 2026)
Mr. Chan Kwok Wai

REGISTERED OFFICE

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

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

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Wanchai, Hong Kong

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

3 Ang Mo Kio Street 62
#01-39 LINK@AMK
Singapore 569139

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point, Hong Kong

AUDITOR

Moore CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

PRINCIPAL BANK

Bank of Communications (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited

COMPANY'S WEBSITE

www.ispg.hk

STOCK CODE

8487

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present the annual report of ISP Global Limited for the year ended 30 June 2026 (the "**Year**").

OVERVIEW

The Group has two major business segments: (i) e-commerce operation (the "**EC Segment**"); and (ii) sale and provision of integrated services of networking, sound and communication systems (the "**NSC Segment**").

The revenue of the Group decreased from approximately RMB231.7 million for the year ended 30 June 2025 to approximately RMB97.2 million for the Year, representing a decrease of approximately RMB134.5 million or 58.1%. This was principally due to the termination of the distribution rights for our certain large bonds in the EC Segment during the Year, coupled with intense competition in China's e-commerce operation services market, which led to a reduction in the sales scale of the EC Segment's operation business.

Over the past year, the global economy and consumer market remained fraught with uncertainty. Downturns in Chinese consumer spending and intensifying competition in e-commerce operation services have impacted e-commerce operation of the Group. In response to these challenges, the Group proactively adjusted operational priorities by enhancing operational efficiency, optimizing resource allocation and implementing strict cost controls, thereby improving asset operation efficiency and laying a solid foundation for sustainable development in the future.

BUSINESS REVIEW:

Business of e-commerce operation:

In the Mainland China, we continue to serve leading brand clients while transitioning from a distribution model to agency operations and related digital marketing services. Through team optimization and inventory reduction, we have lowered operational costs and improved both operational efficiency and asset utilization.

At the same time, the Group has achieved a major breakthrough. We have established a team in Malaysia and launched e-commerce solutions for SMEs leveraging AllValue by Youzan. The business has launched successfully, and received positive feedback from early clients. We believe Southeast Asian will become one of the key drivers for future growth of the Group's e-commerce operations.

CHAIRMAN'S STATEMENT

Business of sale and provision of integrated services of networking, sound and communication systems

Operations in networking, sound and communication systems integration and maintenance services across Singapore and Mainland China have remained stable.

While maintaining our existing client base, the Group will continue to deepen expertise in specialized sectors, explore client needs, continuously improve service standards and efficiency and grow alongside the industries we serve.

PROSPECTS

Looking ahead to the new year, the Group will adhere to its strategy of "Prudent operations, efficiency first and global expansion":

Optimize E-commerce Operation Structure – focus on profitability, improve operational efficiency and customer value;

Consolidate Integrated Systems Services – leverage existing technology and industry experience to continuously address the needs of public sector and corporate clients;

Explore New Markets for E-commerce Operations – deepen the presence of our e-commerce operations in Malaysia and evaluate opportunities to enter other Southeast Asian countries;

We firmly believe that by prioritizing efficiency and innovation, the Group will achieve steady growth amid a complex and ever-changing market environment while delivering sustainable returns to shareholders.

APPRECIATION

On behalf of the Board, I would like to extend our heartfelt gratitude to all shareholders, business partners, customers, and employees for your trust and support over the past year. The Group remains committed to value creation as our core principle, and we will continue to deliver returns to our shareholders and contribute to society.

Cao Chunmeng
Chairman

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Cao Chunmeng (曹春萌) ("**Mr. Cao**"), aged 54, is the chairman, an executive Director and one of our substantial shareholders of the Company. Mr. Cao was appointed as our non-executive Director on 22 January 2021 and was redesignated as an executive Director on 1 January 2022, and, appointed as the chairman of the Board (the "**Chairman**"), and chairman of the nomination committee of the Company ("**Nomination Committee**") on 4 March 2022. He graduated from Shandong University in China with his bachelor's degree in computer science in 1994 and he obtained the master degree in business administration from Peking University in 2006. Mr. Cao had worked for Shandong Branch of Industrial and Commercial Bank of China Limited, Jinan Xiande Technology Limited* (濟南先得科技有限公司), Fengyuanxin (China) Technology Limited* (豐元信 (中國) 科技有限公司), Zongheng Tiandi (Beijing) Information Technology Limited* (縱橫天地 (北京) 信息技術有限公司), Beikong Easycode (Beijing) Technology Limited* (北控易碼通 (北京) 科技有限公司) and Commercial Bank Rongtong (Beijing) Investment Consulting Limited* (商銀融通 (北京) 投資諮詢有限公司). Mr. Cao joined China Youzan Limited (formerly known as China Innovationpay Group Limited, a company which is listed on GEM of the Stock Exchange (stock code: 8083)) for the period from March 2011 to December 2021. Mr. Cao has been appointed as an executive director and chief executive officer of China Youzan Limited in July 2012 and he has been redesignated to become executive director and president of China Youzan Limited in May 2018 until his resignation. Mr. Cao has also been appointed as a director of Haier Consumer Finance Co., Ltd.* (海爾消費金融有限公司), one of the subsidiaries of Haier Group from December 2014 to December 2022. Mr. Cao has more than 20 years extensive management experiences in the financial information technology industry. Mr. Cao is currently as an independent non-executive Director of Befar Group Co., Ltd. since July 2026, a company which shares are listed on Main Board of Stock Exchange (stock code: 6745).

Ms. Choon Shew Lang (莊秀蘭) ("**Ms. Choon**"), aged 57, is our executive Director of our Company. Ms. Choon was appointed as a Director on 21 July 2017 and was redesignated as an executive Director on 14 December 2017. Ms. Choon is the co-founder of ISPL Pte Ltd ("**ISPL**") and has been a director of that company since 22 July 2002. Ms. Choon was appointed as a member of the Nomination Committee on 27 June 2025. Ms. Choon is responsible for overseeing the sales and contract department and administrative and account department of our Group. Ms. Choon obtained a diploma in electronics and communication engineering from Singapore Polytechnic and was awarded the management diploma in sales and marketing from Temasek Polytechnic in May 1989 and August 1993 respectively.

Mr. Mong Kean Yeow (蒙景耀) ("**Mr. Mong**"), aged 58, is an executive Director. He was appointed as a Director on 21 July 2017 and was redesignated as an executive director on 14 December 2017. Mr. Mong also served as the Chairman and chairman of the Nomination Committee from 14 December 2017 to 31 December 2021. Mr. Mong is the co-founder of ISPL and has been a director of that company since 22 July 2002. Mr. Mong is responsible for the overall strategic planning and the daily operation of our Group including managing key customer relationship. Mr. Mong has approximately 20 years of experience in sound and communication industry. Mr. Mong was responsible for new business development and managed the project planning and implementation process. Mr. Mong obtained a diploma in electronics and communication from Singapore Polytechnic and a management diploma in sales and marketing from Temasek Polytechnic in May 1989 and August 1993 respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Han Bing (韓冰) ("**Mr. Han**"), aged 54, is our executive Director and chief executive officer of our Company. Mr. Han was appointed as our executive Director on 1 September 2021. He is also a member of the remuneration committee of the Company ("**Remuneration Committee**"). He graduated from Southeast University in China with bachelor degree in communication engineering and industrial foreign trade in 1994. Mr. Han has over 22 years of extensive experiences in retails and supply chain management through his working experiences in worldwide well known conglomerates such as B&Q and IKEA. Mr. Han currently serves as a director of Global Sourcing Supply Chain Management (Shanghai) Co., Ltd. and Outing Technology (Shanghai) Co., Ltd, which are indirectly owned subsidiaries of the Group.

NON-EXECUTIVE DIRECTOR

Mr. Qiu Yingming (邱映明) ("**Mr. Qiu**"), aged 42, was appointed as our non-executive Director on 1 March 2023. He graduated from Universidad Católica San Antonio de Murcia in Spain with his bachelor's degree in business administration in 2022 and University of Northampton in England with his bachelor's degree in business and management in 2023 who specialises in executive leadership, strategic business management, business negotiation and economics. Prior to joining the Group, Mr. Qiu had gained about 5 years working experiences by being the President of Sky Pro Creation Limited (天寶恒通有限公司) and Shenzhen Cupid Beauty Technology Co., Ltd.* (深圳市丘比特美容科技有限公司), respectively. Mr. Qiu has been generally responsible for presiding over the management of the company comprehensively, formulating annual performance objectives and business development strategy for both companies while Mr. Qiu would also involve research and development and sales of beauty technology products in Shenzhen Cupid Beauty Technology Co., Ltd.* (深圳市丘比特美容科技有限公司).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zheng Xiaorong (鄭曉嶸) ("**Mr. Zheng**"), aged 42, was appointed as our independent non-executive Director and a member of each audit committee of the Company ("**Audit Committee**") and Nomination Committee with effect from 1 July 2022. He holds a bachelor degree of commerce from the University of Auckland in 2011. Mr. Zheng has over 19 years of extensive experiences working in financial services and banking industry in New Zealand and Hong Kong with deep understanding of local and global financial markets and regulatory requirements. Mr. Zheng has been working in KVB Kunlun Group ("**KVB**") since 2011 and he has significant and proven experiences in foreign exchange markets, dealing exposure management and hedging strategy. Throughout the years of working within KVB, Mr. Zheng had also demonstrated with his proven ability to enhance relationships across a range of stakeholders, including but not limited to internal colleagues or board members as well as corporate clients, regulators, media and other banking counterparties externally. Mr. Zheng was also involved to develop and implement governance and risk frameworks for KVB Capital Markets Limited to meet the licence requirements of a licenced corporation of leveraged foreign exchange trading under the requirements of Securities and Futures Ordinance between late 2016 and late 2020. Mr. Zheng is currently serving as a Director, Global Markets at Bank of China (New Zealand) Limited since 4 October 2021, who is responsible for the developing and marketing of transactional banking businesses with all those related banking products shall be in full compliance with relevant rules, regulations and the internal policies of Bank of China Group as well as enhancing internal workflow processing in accordance with local market practices that would eventually promote quality services to clients. Mr. Zheng has also been the non-executive director of KVB Global Capital group companies situated in New Zealand and Hong Kong, respectively, since 1 January 2022.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Yan Xiaotian (閆曉田) ("**Mr. Yan**"), aged 66, was appointed as our independent non-executive Director on 27 November 2020. He is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He has obtained his master degree in economics from Graduate School of the Financial Research Institute of the People's Bank of China in 1986 (which was then merged with Tsinghua University and known as PBC School of Finance, Tsinghua University since 2012) and is a senior economist. Mr. Yan has over 30 years of extensive experiences in economic, financing and management. Mr. Yan served as the president of the head office of Bank of China Limited, the vice president of the Guangzhou branch of CITIC Bank Corporation Limited (formerly known as CITIC Industrial Bank Limited), the general manager of CITIC Securities Co., Ltd. (Guangzhou), and a director and an executive president of South China International Leasing Co., Ltd. Mr. Yan previously served as an executive director of China Youzan Limited (formerly known as China Innovationpay Group Limited, a company which is listed on GEM of the Stock Exchange (stock code: 8083)) for the period from December 2014 to February 2021, an independent non-executive director of Renaissance Asia Silk Road Group Limited (formerly known as China Billion Resources Limited), a company which is listed on the Main Board of the Stock Exchange (stock code: 274) from October 2019 to February 2022, and, an independent non-executive director of Prosperity International Holdings (HK) Limited from October 2019 to June 2021, a company which was formerly listed on the Main Board of the Stock Exchange and delisted on 9 February 2023 (stock code: 803), and, an independent director of Dagang Holding Group Ltd. (達鋼控股集團股份有限公司) since December 2020, a company which is listed on the Shenzhen Stock Exchange (stock code: 300103.SZ). Mr. Yan is currently an independent non-executive Director of HK.AI Capital Limited (formerly known as Wealthking Investments Limited) since April 2022, a company which shares are listed on Main Board of Stock Exchange (stock code: 1140).

Mr. Tang Chi Wai (鄧智偉) ("**Mr. Tang**"), aged 53, was appointed as our independent non-executive Director on 14 December 2017. He is the chairman of the Audit Committee, a member of the Remuneration Committee. Mr. Tang was appointed as a member of the Nomination Committee on 27 June 2025. He is primarily responsible for supervising and providing independent judgement to our Board.

Mr. Tang has over 20 years of experience in auditing and accounting. Mr. Tang has been serving as a financial controller, company secretary and authorised representative of Universal Technologies Holdings Limited (stock code: 1026, the shares of which is listed on the Main Board of the Stock Exchange) since June 2008. Mr. Tang has been responsible for financial and accounting functions as well as secretarial and compliance related matters of the aforesaid company. Mr. Tang has been an independent non-executive director of (1) Century Group International Holdings Limited (formerly known as CHerish Holdings Limited) (stock code: 2113, the shares of which is listed on the Main Board of the Stock Exchange) for the period from September 2016 to October 2021, (2) Xin Point Holdings Limited (stock code: 1571, the shares of which is listed on the Main Board of the Stock Exchange) since June 2017 and (3) Noble Engineering Group Holdings Limited (stock code: 8445, the shares of which is listed on GEM) since September 2017.

Mr. Tang was appointed as the honorary president of North Kwai Chung District Scout Council of Scout Association of Hong Kong in June 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Tang graduated from The Hong Kong Polytechnic University with a bachelor of accountancy in November 1996. He has been a practising Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants since April 2001 and a Certified Internal Auditor of the Institute of Internal Auditors since November 2015. Mr. Tang has also been a holder of the Practitioner's Endorsement from The Hong Kong Chartered Governance Institute (formerly known as: The Hong Kong Institute of Chartered Secretaries) since August 2015.

Professional qualifications	Dates of admission
Member of Chinese Institute of Certified Public Accountants	September 2003
Fellow of The Association of Chartered Certified Accountants	January 2005
Fellow of The Hong Kong Institute of Certified Public Accountants	September 2009
Chartered tax adviser (formerly known as certified tax adviser) of the Taxation Institute of Hong Kong	July 2010
Fellow of The Taxation Institute of Hong Kong	July 2010
Fellow of The Hong Kong Institute of Directors	April 2015
Fellow of The Chartered Governance Institute (formerly known as: The Institute of Chartered Secretaries and Administrators)	July 2015
Fellow of The Hong Kong Chartered Governance Institute (formerly known as: The Hong Kong Institute of Chartered Secretaries)	July 2015
Fellow of The Hong Kong Investor Relations Association	July 2016
Fellow of The Hong Kong Securities and Investment Institute	September 2021
Fellow of The Certified Practising Accountant Australia	February 2025

COMPANY SECRETARY

Mr. Chan Kwok Wai (陳國威), is a member of Hong Kong Institute of Certified Public Accountants. He is an associate member of each of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. He has over 14 years of experience in the professional field of accounting, audit and corporate governance.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

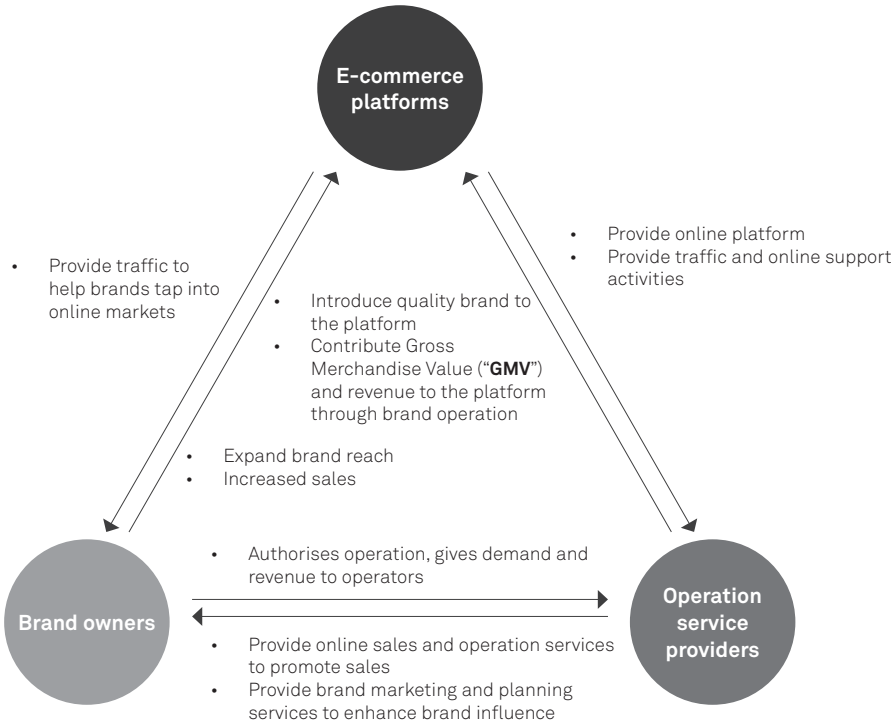
Outlook of E-commerce in the People's Republic of China (the "PRC")

Overview of China's Brand E-commerce Operation Service Market

Brand e-commerce operation refers to third-party services provided to brand owners, mainly including brand market analysis, marketing and promotion, online store operation, consumer management, customer service and warehousing logistics services.

With professional operating experience, brand e-commerce operation service providers can help brand clients to promote brand culture and improve customer experience, carry out promotional activities through diversified online distribution channels to expand customer base, and constantly optimise marketing strategies based on accurate consumer analysis, so as to ultimately enhance their brand influence.

As a link between brand owners, e-commerce platforms and consumers, brand e-commerce operation service providers create value for all parties in the industry chain. With the increasing importance of online sales channels, operation service providers have gradually built a dynamic and virtuous ecosystem with brand owners and e-commerce platforms.



MANAGEMENT DISCUSSION AND ANALYSIS

Brand owners enter e-commerce platforms to explore online sales channels and tap into the traffic resources of e-commerce platforms; aided by the professional operation of e-commerce operation service providers, brand owners fully reach target customers and continuously improve the conversion rate which would in turn ultimately increase sales of products for the brands. Brand operation service providers cater to needs of the brand owners, obtain authorisation, and generate business revenue through operations. E-commerce platforms, while providing traffic platforms for brand owners and operation service providers, also reaping benefits in turn. In expanding online channels for brand owners, operation service providers also introduces premium brands to the platform, thereby enhancing the reputation and traffic of the platform. The GMV created by operation service providers for brand owners also serves as a vital support for the platform's transaction volume. Therefore, operation service providers play an indispensable role in promoting a thriving platform ecosystem.

China's online retail has maintained growth, and the brand e-commerce services industry has entered a stage of steady growth and structural upgrading

According to data from the National Bureau of Statistics, in 2025, China's online retail sales of goods and services reached RMB15.97 trillion, representing a year-on-year growth of 8.6%; of which, online retail sales of goods amounted to RMB13.09 trillion, representing a year-on-year growth of 5.2%, accounting for 26.1% of the total retail sales of consumer goods in society. In 2025, the total retail sales of consumer goods in society reached RMB50.12 trillion, representing a year-on-year growth of 3.7%. The above data indicates that online consumption continued to grow faster than overall retail sales of goods, and online retail has become an important component of China's consumption system. Meanwhile, brand owners' demand for refined operations, content marketing, data analytics and omni-channel operations continued to rise, providing a stable demand base for the brand e-commerce services industry.

According to the 2026 China Branding E-Commerce Service Provider Industry Research Report of iiMedia Research, the size of the brand e-commerce service market in the PRC reached RMB482.16 billion in 2025, representing a year-on-year increase of 7.9%. It is expected to reach RMB586.23 billion by 2028. The industry has continued to grow, but its growth rate has slowed markedly compared with the early days of e-commerce. The industry's focus is shifting from the mere pursuit of GMV scale to improving operational quality, customer retention, service efficiency and profitability. In the future, digital intelligence services, full-chain operations, instant retail, cross-border expansion and AI empowerment will become important growth directions for the industry.

The e-commerce services industry is a professional services industry that has emerged alongside the development of e-commerce, mainly comprising transaction services, support services and derivative services. Among these, e-commerce operations, brand management, digital marketing, content marketing, data analytics and technical services are important derivative services. As brand operations shift from single-platform store operations to all-domain operations, service providers' service boundaries continue to expand, and industry competition is gradually shifting from mere execution capability to comprehensive competition in technology, data, content, brand and organisational capabilities.

Cross-border E-commerce and Brands Going Global Continue to Expand the Incremental Space for Brand E-commerce Service Providers

As Chinese brands become more internationalised, an increasing number of brands are shifting from mere product exports to brand going global, localised channel development and consumer operations. Countries differ in consumption habits, platform rules, payment systems, advertising placement, tax and compliance requirements. As a result, brand owners' demand for professional services such as local operations teams, content marketing, platform operations and supply chain coordination continues to increase.

According to relevant public information from the Ministry of Commerce, in 2025, China's cross-border e-commerce imports and exports reached approximately RMB2.75 trillion, representing an increase of 69.7% compared with 2020. Cross-border e-commerce has become an important component of China's new forms of foreign trade. The industry is shifting from the traditional distribution and traffic-driven model to brand-oriented, refined and localised operations, with emerging markets such as ASEAN becoming important directions for Chinese brands to expand into overseas markets.

Content-driven E-commerce, Live-streaming E-commerce, Instant Retail and AI Applications Are Reshaping Brand Operations

Traditional shelf-based e-commerce, content-driven e-commerce, live-streaming e-commerce, social media and instant retail channels are forming diversified online consumption scenarios. Consumers' purchasing paths are gradually shifting from a single mode of searching and shelf browsing to multiple parallel modes such as content seeding, influencer recommendations, live interaction, instant consumption and social sharing. For brand owners, multi-platform operations have increased operational complexity and also raised demand for professional service providers.

Prospect of the Business of E-commerce Operation of the Company

The business of e-commerce operation is one of the main business lines of the Company. As at the date of this report, it has established a complete operation team and achieved a certain scale in its operation. Faced with the intensely competitive environment of brand operations, we proactively adjusted our business focus from distribution business to agency operation business, reducing operating costs and improving operational efficiency.

We will: (1) on the basis of shifting our operational focus, continuously optimize the brand structure of our operations, gradually eliminate brands with low operational efficiency, and introduce higher-quality brands; (2) prioritize JD.com platform as our key channel and consolidate our operational advantages in this channel; (3) optimize our operational team to reduce costs and enhance our own operational efficiency.

In addition, we will actively explore the e-commerce operation service market in other countries, and have established a team in Malaysia to develop e-commerce operation-related businesses: (1) as the official authorized partner of AllValue Cross-border (Youzan International) in Malaysia, we provide small and medium-sized merchants with services including e-commerce SaaS systems, content-driven e-commerce, Xiaohongshu store setup, brand building and AI-powered operation tools; (2) leveraging the local operation team in Malaysia, we offer cross-border e-commerce operation services to Chinese brands served by the Company, helping them to achieve promotion and sales in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS

Over the past year, we have established corporate partnerships with multiple leading marketing companies, logistics enterprises, payment platforms and corporate welfare institutions in Singapore and Malaysia regarding our sales operations in Malaysia, in order to continuously expand the brand's influence and reach within the local enterprise market.

Through online social media promotion and advertising marketing, as well as offline sales team recruitment and expansion, combined with various collaborative approaches, we continuously expand the brand's market coverage and reach to corporate clients. Currently, we have served over 100 corporate customers and gradually established a stable base of corporate customers and a sales channel network.

We are confident that with the adjustment of the operating structure, the optimization of the operating team and the expansion of new markets in Malaysia will drive renewed growth in the e-commerce operation business.

Industry Outlook of Sale and Provision of Integrated Services of Networking, Sound and Communication Systems Solutions in Singapore and Malaysia

During the year, we remained focused on executing our organic growth strategy across the NSC segment in Singapore, Malaysia and Vietnam. While the operating environment was impacted by macroeconomic headwinds, including prolonged global trade tensions, inflationary pressures and higher procurement and logistics costs arising from international tariff measures, the Group continued to demonstrate resilience and growth. Through our strategic focus on developing value-added integration engineering solutions for interoperable NSC systems, we successfully expanded our revenue base and strengthened our market position within the healthcare sector across Singapore and Malaysia.

In Singapore, our established core market, we continued to deliver sustainable growth through our strong reputation for quality integrated solutions and post-installation maintenance services. Singapore's rapidly aging population, increasing healthcare infrastructure requirements continue to drive long-term demand for decentralisation of advanced healthcare communication and technology solutions. These structural industry trends present significant opportunities for the Group to deepen customer engagement and expand our addressable market.

As healthcare expenditure continues to rise, supported by both public and private sector investments, we remain well-positioned to capitalize on the opportunities arising from infrastructure modernization initiatives and digital transformation programs across healthcare institutions. Leveraging our extensive industry expertise and longstanding customer relationships, we are actively pursuing opportunities through both public and private sector tenders while broadening our portfolio to include cloud-based network and communication solutions that enhance operational efficiency, connectivity and patient care outcomes.

Malaysia and Vietnam represent compelling growth markets where increasing healthcare investments and infrastructure development are creating substantial opportunities for expansion. In Malaysia, higher government healthcare spending, growing demand for private healthcare services, and the expansion of medical tourism continue to support a favorable long-term growth trajectory for the sector. Similarly, Vietnam's rapidly developing healthcare landscape presents attractive opportunities for healthcare providers seeking to upgrade facilities, improve service delivery and deploy advanced technology solutions.

To capture these opportunities, we continue to strengthen our partnerships with leading healthcare institutions, strategic business partners and technology providers across both markets. Our ability to deliver customized, interoperable and future-ready NSC solutions positions us well to benefit from the increasing digitalization of healthcare infrastructure and the growing need for integrated communication ecosystems.

Looking ahead, we remain committed to strengthening our competitive leadership through continued investment in research and development, advanced systems partnerships, integration capabilities and artificial intelligence-enabled solutions. These investments will further enhance our ability to deliver innovative, high-value solutions that address the evolving needs of healthcare providers while creating new avenues for recurring revenue and market expansion.

While geopolitical uncertainty and inflationary pressures may continue to present short-to-medium-term challenges, we remain confident in our healthy project backlog, recurring maintenance revenue stream and our business pipeline. Supported by strong customer relationships, a proven execution track record and growing opportunities across Southeast Asia, we believe the Group is well-positioned to achieve sustainable growth and deliver long-term value to shareholders.

As we continue to expand our presence in healthcare, education and public housing sectors, our focus remains on innovation, customer-centric solutions and strategic partnerships. Through continuous product enhancement, system integration and technology advancement, we are confident in our ability to capture emerging growth opportunities, strengthen our market position and create lasting value for all stakeholders.

Outlook of Sale and Provision of Integrated Services of Networking, Sound and Communication Systems in the PRC

China is committed to advancing digital transformation across the board, thereby continuously unlocking substantial growth opportunities across a wide range of industries. At this critical juncture marking the conclusion of the national 14th Five-Year Plan and the strategic planning for the 15th Five-Year Plan, further advancing the development of a Digital China has become a strategic priority for consolidating the foundation of digital and intelligent development and fostering new quality productive forces. With the full release of the value of data factors, the country is accelerating the development of national data infrastructure commensurate with high-quality development. This nationwide strategy continues to unlock investment potential across the government and enterprise markets. It sets out long-term plans for the green, efficient and secure transformation of core digital infrastructure, including internet data centres (IDCs) and intelligent computing power networks, thereby driving sustained, high-certainty and rigid demand for high-performance IDC equipment and cutting-edge digital services. Supported by the increasing investments in infrastructure modernisation from the government and state-owned enterprises, China's digital economy boasts a vast addressable market with long-term resilience. Backed by solid capabilities and deep industry roots, the Company is well-positioned to deeply integrate its businesses into the grand blueprint for national digital-economy development and fully capture the long-term, stable and historic opportunities brought about by technological upgrades in key industries.

MANAGEMENT DISCUSSION AND ANALYSIS

During the reporting period, the railway industry remained the cornerstone for in-depth development and core growth driver of the Company. While securing several high-quality domestic railway projects steadily and consolidating its local foothold, the Company made headway in overseas markets, successfully winning multiple new projects, including the East Coast Rail Link (ECRL) in Malaysia project, the Jakarta-Bandung High-Speed Railway project and the Laos-China Railway project. The expansion of overseas business has not only significantly strengthened the Company's international operation and overseas service capabilities, but also achieved a simultaneous leap in both the scale and quality of its services. Through in-depth refinement of these benchmark projects, the Company has continuously enhanced its operation-and-maintenance support and localised service capabilities in real-world scenarios. It has not only fully fostered strategic trust and deep-seated ties with key customers, but also built solid moats and foundations for the Company to align with China's national "Going Global" strategy for its railway industry and secure new overseas projects on a sustained basis in the future.

BUSINESS REVIEW

Our principal businesses are:

(i) Sale and provision of integrated services of networking, sound and communication systems, which includes (1) the sale of networking, sound and communication systems; and (2) provision of integrated services of networking, sound and communication systems, includes installation and customisation of networking, sound and communication systems and technical support services to customers in Singapore, Malaysia and the PRC; and

(ii) provision of e-commerce operation services (including digital marketing services, online agency operation services, online retailing and distribution services) in the Malaysia and the PRC.

For the Year, the Group recorded revenue of approximately RMB97.2 million, representing a decrease of approximately RMB134.5 million from revenue of approximately RMB231.7 million for year ended 30 June 2025. The decrease was mainly due to the contribution from sale and provision of E-commerce operation in PRC. The Group recorded a total comprehensive loss attributable to the owners of the Company of approximately RMB21.1 million, representing an increase of RMB10.3 million compared with total comprehensive loss attributable to owners of the Company of approximately RMB10.8 million for the year ended 30 June 2025. The following table sets forth the breakdown of our revenue by segment for the years indicated:

	For year ended 30 June	
	2026	2025
	RMB'000	RMB'000
Revenue from:		
Sale and provision of integrated services of networking, sound and communication systems	**74,570**	78,101
E-commerce operation	**22,606**	153,645
	97,176	231,746

Sale and provision of integrated services of networking, sound and communication systems (the "NSC Segment")

Our revenue generated from the NSC segment was approximately RMB74.6 million and RMB78.1 million for the years ended 30 June 2026 and 2025, respectively, which represents approximately 76.7% and 33.3% of our total revenue for the same period, respectively.

Revenue from the NSC segment decreased slightly by approximately 4.5% as certain contracts with high value contract sums were completed in the prior financial year. For the years ended 30 June 2026 and 2025, the number of contracts completed decreased to 96 from 98; and there were tenders of 89 projects in railway, financial and other industries in the PRC successfully bidded, serving customers such as Beijing Jingwei Information (北京經緯信息), SSBT (北京聖世博泰科技), China Harbour Engineering (中國港灣工程), Railway Engineering Research Institute of CARS, in the railway industry, in the PRC.

The Group endeavours to continue developing value-added and long-term relationship with customers in the long run with contracts for the provision of maintenance and related services for networking, sound and communication systems.

E-commerce operation (the "EC Segment")

For the years ended 30 June 2026 and 2025, our revenue from the EC Segment was RMB22.6 million and RMB153.6 million, respectively, representing 23.3% and 66.7% of our total revenue for the same period, respectively.

The reasons for the decrease in revenue from the EC Segment by approximately 85.3% are as follows:

(1) The termination and expiry of contract of our several large service brands, thereby significantly decreasing the sales scale of our e-commerce operation business.

(2) Faced with the intensely competitive environment of brand operations, we adjusted our business focus from distribution business to agency operation business leading a decrease in revenue from the EC segment.

Brand e-commerce operation service is a service industry that grows with the development of e-commerce. It grows continuously with the expansion and deeper penetration of the e-commerce industry. Brand operation service providers, as a link between brand owners, e-commerce platforms and consumers, create value for all parties in the industry chain and have established a beneficial ecosystem with e-commerce platforms and brand owners.

Considering the market size and development potential of the industry, the management of the Company marked this business as a key area of investment for the Company. The Company has formed a front-office business system comprising digital marketing services, online agency operation services, online retailing (2C) and distribution (2B) services, as well as a back-office support service system comprising the supply chain, customer service and warehousing services.

Digital marketing services include the provision of brand building, online marketing, reputation management, public opinion management and event planning services for brand owners.

Online agency operation services include the provision by the Company of various operating services for the sales of online stores opened by brand owners, including visual design, store operations, marketing campaigns and customer service.

Online retailing and distribution services include the online sales of products purchased by the Company from brand owners or their agents to consumers (2C) or other distribution channels (2B) through brand flagship stores or franchise stores operated on third-party platforms such as Tmall and JD.com as an authorised distributor for the brand owners.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately RMB134.5 million or 58.1% to approximately RMB97.2 million for the Year, from approximately RMB231.7 million for the year ended 30 June 2025. This was principally due to the decreased revenue contribution from EC Segment in the PRC during the Year, from reduced sales and transaction volumes as a result of ending of distributorship of our several large brands during the Year.

Costs of sales/services

Our costs of sales/services decreased by approximately RMB96.4 million or 58.6% to approximately RMB67.9 million for the Year from approximately RMB164.3 million for the year ended 30 June 2025. The substantial decrease in costs was due to the decreases in materials and inventories delivered to customers in the PRC which were in line with the decrease in revenues from the reduced sales and transaction volumes in the EC Segment in the PRC during the Year.

Gross profit

Our gross profit decreased by approximately RMB38.3 million or 56.7% to approximately RMB29.2 million for the Year from approximately RMB67.5 million for the year ended 30 June 2025 due to gross profit contributions from our EC Segment in the PRC. The Group's gross profit margin increased to 30.1% for the Year, from approximately 29.1% for the year ended 30 June 2025. The increase in gross profit margin was due to the higher products and service profits with customers in our NSC Segment during the Year.

Other income

Our other income increased by approximately RMB36 thousand or 10.7% to approximately RMB371 thousand for the Year from approximately RMB335 thousand for the year ended 30 June 2025. The increase was mainly attributed to the increase of (i) approximately RMB96 thousand increase in government grants and other income; but (ii) offset by approximately RMB60 thousand decrease in interest income.

Other gains, net

Other gains increased by approximately RMB140 thousand to approximately RMB140 thousand for the Year from other gains for the year ended 30 June 2025. The increase of other gains for the Year was (i) mainly attributable to the increase of foreign exchange gains of approximately RMB240 thousand due to the general appreciation of the RMB against other operating currencies such as the Singapore Dollar and the Malaysian Ringgit, but (ii) the gain was slightly offset by the increase in losses of approximately RMB100 thousand from early termination of leases in the PRC and other losses.

Selling and administrative expenses

The selling and administrative expenses decreased by approximately RMB30.4 million or 65.9% from approximately RMB46.2 million for the year ended 30 June 2025 to approximately RMB15.8 million for the Year. The significant decrease was mainly due to the decrease of selling and administrative costs related to the reduction of service fees, marketing and promotion expenses and transportation fees the operations of the Group's EC Segment in the PRC, in line with the reduction of revenue in our EC Segment during the Year.

Selling and administrative staff costs

Payroll expenses decreased by approximately RMB2.3 million or 6.6%, from approximately RMB34.3 million for the year ended 30 June 2025, to approximately RMB32.0 million for the Year. The decrease was mainly attributed to the decrease of payroll expenses related to operation in the Group's EC Segment in the PRC contributing a decrease of approximately RMB4.5 million, in line with the decrease in headcount to 136 for the Year from 145 for the year ended 30 June 2025. The decrease is slightly offset with the general increase in payroll expenses in the NSC and EC Segments in Singapore and Malaysia, resulting in an increase in staff costs of approximately RMB2.2 million.

Finance costs

Our finance costs decreased to approximately RMB1.1 million for the Year, by approximately RMB3.2 million or 75.0%, from approximately RMB4.3 million for the year ended 30 June 2025. The was mainly due to a decrease in the interest paid and accrued from short-term interest-bearing loans from bank and other institutions in the Group's EC Segment during the Year.

Income tax expense

Our income tax expense decreased to approximately RMB0.2 million for the Year, by approximately RMB0.1 million or 35.5% from approximately RMB0.3 million for the year ended 30 June 2025. The decrease was primarily due to an decrease in taxable profits in the Group's NSC Segment in the PRC for the Year.

Loss and other comprehensive loss for the Year attributable to the owners of the Company

The Group recorded total comprehensive loss for the Year attributable to the owners of the Company of approximately RMB21.1 million for the Year. Compared to the total comprehensive loss of approximately RMB10.8 million for the year ended 30 June 2025, the increase was principally caused by an appreciation of the Chinese Yuan against a basket of currencies resulting in translation losses from foreign business operations in Singapore and Malaysia for both NSC and EC Segments during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

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

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed our operations primarily through cash generated from our operating activities and financing activities.

Cash and cash equivalents

As at 30 June 2026 and 2025, our Group's bank balances and cash are denominated in the following currencies:

	For year ended 30 June	
	2026	2025
	RMB'000	RMB'000
Denominated in:		
CNY	**3,077**	7,010
HKD	**231**	469
MYR	**1,582**	2,501
SGD	**41,532**	41,251
USD	**1,055**	4,724
VND	**16**	22
	47,493	55,977

Net current assets

As at 30 June 2026, the Group had net current assets of approximately RMB16.7 million (2025: approximately RMB51.7 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. The Group's total equity attributable to the owners of the Company amounted to approximately RMB51.4 million (2025: approximately RMB72.4 million).

Borrowings

Our borrowings decreased by approximately RMB13.5 million or 32.7% to approximately RMB27.8 million as at 30 June 2026 from approximately RMB41.3 million as at 30 June 2025. The decrease was primarily due to the reduction of drawdown of unsecured bank borrowings and reduced utilization of receivable factoring in the PRC EC Segment during the Year.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

During the Year, there were no change in the capital structure of the Group and up to the date of this report.

As at the date of this report, the Company's issued capital was 1,046,628,000 Shares of HK$0.01 each.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. 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 other commitments can meet its funding requirements from time to time.

CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS

During the Year, the Group acquired items of property, plant and equipment of approximately RMB3.6 million (2025: approximately RMB2.6 million).

As at 30 June 2026, the Group did not have any capital commitments (30 June 2025: nil).

LEASE COMMITMENTS

Our lease commitments represent the minimum lease payments for short-term leases which would be payable under operating lease in respect of staff dormitories and warehouse, amounting to approximately RMB80 thousand (2025: approximately RMB0.4 million).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any contingent liabilities (30 June 2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any other plan for material investments or capital assets as at the date of this report.

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed in note 5 to the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY FLUCTUATION

The revenue of the Group is mainly denominated in Renminbi and Singapore dollars. The Group is subject to risks associated with foreign exchange rate fluctuations, particularly Renminbi against United States dollars and Singapore dollars.

The Group currently has no foreign currency hedging policy and the management will monitor the foreign exchange exposure by closely monitoring the movements of foreign currency rates. The Group will consider hedging significant foreign currency exposure should the need arise.

PRINCIPAL RISKS AND UNCERTAINTIES

There are certain risks that could adversely affect the Group's operations and financial results. The major uncertainties may include:

(i) a significant portion of revenue in Singapore was generated from public sector projects. Any significant reduction in the level of Singapore Government's spending on sound and communication services solution may materially and adversely affect the revenue of the Group;

(ii) the Group derives revenue from projects and purchase orders of a non-recurrent nature, where there is no guarantee that customers will provide the Group with new business or that the Group will secure new contracts;

(iii) the Group determines the contract price based on the estimated time and costs involved in the project. An under-estimation or ineffective cost management may adversely affect the Group's financial results;

(iv) the slow economic recovery and intense competition may significantly and adversely impact the Group's business operations and financial performance;

(v) the Group prepares its tenders based on estimated cost plus a mark-up margin, and there is no assurance that the actual time and costs incurred by the Group would match its initial estimate;

(vi) failure to renew or, any suspension or cancellation of any of its existing licences and registrations could materially affect our operations and financial performance;

(vii) inability to attract and/or retain management staff will adversely affect the Group's operations and financial performance;

(viii) the Group is subjects to credit risk in relation to the collectability of the Group's trade receivables and retention receivables.

The Group will continue to use its best efforts to ensure it has sufficiently mitigated the risks present in its operations and financial position as efficiently and effectively as possible.

MANAGEMENT DISCUSSION AND ANALYSIS

OFF BALANCE SHEET ARRANGEMENTS

As at 30 June 2026, the Group did not enter into any material off-balance sheet arrangements (30 June 2025: Nil).

PLEDGED ASSETS

As at 30 June 2026, the leasehold land and property with carrying amount of approximately RMB20.9 million (2025: approximately RMB22.6 million) was pledged to a bank for a bank borrowing.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, including our Directors, the Group had a total of 136 employees (30 June 2025: 145).

The Group recognises employees as valuable assets and our success is underpinned by our people. In line with our human resource policies, we are committed to providing attractive remuneration packages, and a fair and harmonious working environment to safeguard the legitimate rights and interests of our employees. The Group regularly reviews our human resource policies which outline the Group's compensation, working hours, rest periods and other benefits and welfare, to ensure compliance with laws and regulations. We always place emphasis on attracting qualified applicants by offering competitive remuneration packages. These packages are reviewed based on employees' performance and reference to prevailing market conditions, and are adjusted in a timely manner to keep them in line with market benchmarking.

The Group operates the retirement schemes for employees in Singapore outlined in the Central Provident Fund Act (Chapter 36 of Singapore), in Malaysia outlined in the Employee's Provident Fund Act 1991 and Employment Insurance System Act 2018 Laws of Malaysia, in Hong Kong outlined in the Mandatory Provident Fund Schemes Ordinance (Cap. 485), and in the PRC in accordance to Labour Law and Labour Contract Law of the PRC.

In addition, the Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 14 December 2017 so as to motivate, attract and retain the right employees.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any significant investments or any material acquisition and disposal of subsidiary or affiliated company during the Year (30 June 2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL RISK MANAGEMENT AND FINANCIAL RISK MANAGEMENT

Capital management

Our Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes borrowings, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and other reserves.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

Financial risk management

Our Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, and borrowings. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk.

KEY FINANCIAL RATIOS

	For year ended 30 June	
	2026	2025
	Times	Times
Liquidity ratios		
Current ratio	**1.2**	1.9
Quick ratio	**0.9**	1.5
	%	%
Capital adequacy ratios		
Gearing ratio	**80.7%**	72.3%

The calculation of current ratio is based on current assets divided by current liabilities.

The calculation of quick ratio is based on current assets less inventories divided by current liabilities.

The calculation of gearing ratio is based on interest-bearing liabilities divided by the total equity and multiplied by 100%.

Quick and current ratios

The quick ratio decreased by 39.3% and current ratio decreased by 36.3%, respectively during the Year. The quick ratio and the current ratio decreased due to better supplier and other creditor credit terms resulting significant increase of trade and non-trade current liabilities.

Gearing ratio

The increase of gearing ratio is due to mainly a reduction in shareholder's equity from total comprehensive loss during the Year, but was slightly offset by reduction in interest-bearing liabilities.

USE OF PROCEEDS FROM LISTING AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The net proceeds raised from the listing of the shares of the Company (the "**Shares**") on GEM, after deducting the related expenses, were approximately HK$44.0 million. Up to 30 June 2026, the net proceeds raised from the Listing have been utilised in accordance with the designated uses set out in the prospectus issued by the Company on 29 December 2017 (the "**Prospectus**"), the supplemental announcement issued on 31 July 2020 (the "**Supplemental Announcement**") and announcement in relation to further change in use of net proceeds issued on 6 September 2023 (the "**Further change in use of net proceeds**") as follows:

Description	**Amount designated in the Prospectus** HK$ million	**Net movement designated in the announcement dated on 6 September 2023** HK$ million (Note)	**Revised allocation of the total net proceeds as at 30 June 2026** HK$ million	**Actual use of proceeds as at 30 June 2026** HK$ million	**Unutilised amount as at 30 June 2026** HK$ million	**% utilised as at 30 June 2026** %	**Expected date to fully utilise the unutilised amount**
Strengthen our marketing efforts in the sound and communication industry in Singapore	1.4	1.5	2.9	2.9	Nil	100.0%	N/A
Expand and train our sales and marketing, technical and support workforce	11.6	9.0	20.6	20.6	Nil	100.0%	N/A
Purchase transportation vehicles	3.0	Nil	3.0	2.0	1.0	66.7%	30 June 2027
Setting up of a new sales office in Singapore	10.0	(8.0)	2.0	2.0	Nil	100.0%	N/A
Partial repayment of bank loan	10.0	Nil	10.0	10.0	Nil	100.0%	N/A
Resources for the provision of performance bonds	2.0	Nil	2.0	2.0	Nil	100.0%	N/A
Take steps to obtain higher grade level under our current mechanical and electrical workhead	2.5	(2.5)	Nil	Nil	Nil	0.0%	N/A
General working capital and general corporate purposes	3.5	Nil	3.5	3.5	Nil	100.0%	N/A
Grand total	44.0	Nil	44.0	43.0	1.0	97.7%	

Note: Net movement amount is calculated as the revised use of remaining balance of the unutilised net proceeds minus the unutilised amount of net proceeds as stated in the announcement dated 6 September 2023.

The unutilised balance of net proceeds of each designated uses set out above is expected to be fully utilised by 30 June 2027. Please refer to the announcements of the Company dated 31 July 2020 and 6 September 2023 for the details of the delay in the use of the net proceeds and change in the use of proceeds, respectively.

The expected timeline for fully utilise the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this report. The Board confirms that the Group continues to be invited for tender and be awarded projects from its customers during the relevant periods and therefore considers that the delay in use of proceeds and business expansion does not have any material adverse impacts on the operation of the Group. The Board will continue closely monitoring the situation and evaluate the impacts on the timeline to utilise the unutilised proceeds and will keep shareholders and potential investors informed if there are any material changes.

The following table sets forth the designated and actual implementation plan up to 30 June 2026:

Purpose	Implementation Plan	Actual implementation activities
Strengthen our marketing efforts in the sound and communication industry in Singapore	• Implement corporate branding and identity for our sound and communication services solution operations in Singapore which includes printing of marketing materials and advertisement • Maintain and update our corporate websites by the external consultant for customised website development • Participate in trade show(s)	• Maintained and improved our corporate websites, by using in-house resources to develop and maintain the Group's website instead of engaging external website designers • Sought more opportunities to conduct new trade shows to further reach out to potential customers in healthcare industry in Singapore
Expand and train our sales and marketing, technical and support workforce	• Staff cost for retaining the approximately one project manager, two engineers and 10 technicians to be recruited by February 2018, and the associated staff accommodation costs • Staff cost for retaining the approximately one sales manager, two sales and marketing executives and 10 technicians to be recruited by July 2018, and taking into account potential increase in wage level, and the associated staff accommodation costs • To provide internal and external trainings and workshops to our sales and technical staff	• New headcount of 8 engineers and 25 technicians were recruited as at 30 June 2026 • New headcount of 2 sales and marketing executives, 1 marketing manager and 1 sales manager were recruited as at 30 June 2026 • Provided internal and external trainings and workshops to our technical staff • In the process to seek suitable candidates to the remaining positions

Purpose	Implementation Plan	Actual implementation activities
Purchase transportation vehicles	• Purchase of three vans for maintenance operations and, transportation of relevant equipment and/or labour	• Purchased of three vans for maintenance operations and, transportation of relevant equipment and/or labour
	• Purchase of two lorries for delivery and transportation of larger equipment and/or labour	• Considered and monitored Group's current project portfolio but postponed the purchase of two lorries due to current different project requirements
Setting up a new sales office in Singapore	• Purchase of one new property to be used by our sales and contract department and act as a demonstration facility for our sound and communication systems	• Considered and monitored the Group's project tenders and plan was postponed due to current observed industry customers' requirements and the property prices in Singapore were surged up higher than expected which the Group requires additional time to identify the suitable premises in order to meet the Group's financial budget
		• The Group revised the use of net proceeds for renovation of new sales office space
Partial repayment of bank loan	• Partial repayment for the bank loan in relation to the mortgage loan secured for the purchase of our head office in Singapore	• The mortgage loan was partially repaid on 11 July 2018
Expansion of our sound and communication services solution business	• To explore, evaluate and tender for potential integrated services of sound and communication systems projects in Singapore, particularly larger scale projects which may be required for the provision of performance bonds	• Postponed due to performance bond not required in recent awarded tenders to the Group
		• In the process of exploring large scale potential projects which requires the provision of performance bonds
Take steps to obtain higher grade level under our current mechanical and electrical workhead	• Satisfy the minimum financial requirements for "L6" grade under our current mechanical and electrical workhead	• Considered and monitored the Group's project portfolio and considered adverse impacts on Singapore economy, the unutilised amount were reallocated to other categories

Use of proceeds from the placing of new shares of the Company and comparison of business objectives with actual business progress

The net proceeds raised from the placing of new shares under General Mandate first announced on 6 October 2023 and completed on 31 October 2023 (the "**Placing**") amounted to approximately HK$28.2 million.

	HK$ million	Approximate percentage of allocation
(i) Expand its suite of integrated service and systems	8.5	30.0%
(ii) Develop new markets in Asia	5.6	20.0%
(iii) Repay certain outstanding indebtedness of the Group	8.5	30.0%
(iv) General working capital of the Group	5.6	20.0%
Total	28.2	100.0%

Actual use of proceeds as at 30/06/2026	HK$ million	% utilised as at 30 June 2026	Expected timeline to fully utilise the unutilised amount
(i) Expand its suite of integrated service and systems	8.5	100.0%	N/A
(ii) Develop new markets in Asia	5.6	100.0%	N/A
(iii) Repay certain outstanding indebtedness of the Group	8.5	100.0%	N/A
(iv) General working capital of the Group	5.6	100.0%	N/A
Total	28.2	100.0%	

All net proceeds are used up as at 30 June 2026.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INSTRUCTION

ISP Global Limited (the "**Company**", "**ISP**") and its subsidiaries (together referred to as the "**Group**", "**we**" or "**us**") (Stock Code: 8487) are pleased to present its efforts on environmental, social, and governance ("**ESG**") to the shareholders.

This ESG Report ("**Report**") outlines the Group's ongoing efforts to operate responsibly, create long-term value for stakeholders, and contribute to sustainable development. ESG considerations are integral to our strategy, governance and daily operations, as we continue to strengthen our corporate governance practices, minimise environmental impact, promote social well-being, and engage with the community.

The Board of Directors (the "**Board**") holds ultimate responsibility for the Group's ESG governance. The Board provides direction, oversees management in implementing ESG initiatives, and monitors the effectiveness of risk management and internal control systems in addressing environmental and social challenges.

Through this Report, the Group seeks to provide transparent disclosure of its ESG performance, highlight key initiatives and progress, and reaffirm its commitment to continuous improvement in sustainability practices.

REPORTING PERIOD

This Report outlines the performance and approach of the Group during the period which began 1 July 2025 to 30 June 2026 (the "**Year**" or "**2025/2026**").

REPORTING SCOPE AND STANDARDS

This Report is prepared in accordance with the "Environmental, Social and Governance Reporting Code" (the "**ESG Code**") as set out in Appendix C2 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**GEM Listing Rules**").

This Report presents an annual update of the Group's key performance indicators ("**KPIs**"), covering our operations in Singapore, Malaysia, Hong Kong, and the People's Republic of China (the "**PRC**"). The information disclosed herein is based on the Group's official records, statistical data, and consolidated management information provided by its subsidiaries.

The Group affirms that the contents of this Report are accurate, complete, and not misleading. The Board assumes overall responsibility for formulating the Group's ESG strategy, overseeing its implementation, and ensuring accountability in relation to ESG matters. ESG performance is regularly monitored, reviewed, and reported to the Board to drive continuous improvement in operational practices and efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING BASIS AND PRINCIPLES

This Report is prepared based on the ESG Code outlined in Appendix C2 of the GEM Listing Rules, as well as the four reporting principles – Materiality, Quantitative, Balance, and Consistency.

Materiality: The Group identifies key ESG issues through stakeholder engagement and materiality assessment. The Report prioritises these material ESG topics to ensure that disclosures are relevant and meaningful.

Quantitative: The Report discloses KPIs in quantitative terms, where feasible. Methodologies, assumptions used, and comparative data are provided to enable readers to assess and verify the Group's ESG policies and practices.

Balance: The Report comprehensively discloses the Group's ESG performance based on objective facts. Both achievements and challenges of the Group are identified in the Report.

Consistency: The Report uses consistent methodologies for meaningful comparisons unless improvements in methodology are identified.

The Report has fulfilled all "Comply or Explain" requirements and mandatory disclosures outlined in the ESG Code.

REVIEW AND APPROVAL

The Board has carefully reviewed and approved this Report. In doing so, the Board confirmed its overall responsibility for the Group's ESG governance, including assessing material ESG risks, defining the ESG strategy, and monitoring its effective implementation. The Board also ensures that the disclosures contained in this Report are fair, balanced, and reliable.

The Report will be available in both Chinese and English on the Stock Exchange website. If there is any discrepancy between the two versions, the English version shall prevail.

FEEDBACK

The Report is available in the "Financial Statement/Environment, Social and Governance Information" category of the Stock Exchange website or on the Group's Website. We welcome readers to provide feedback on this Report for the sustainability initiatives. Please share your views with us by email to info@ispg.hk. Your comments will be conducive for us to further refine this Report and enhance the Group's ESG performance.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE GROUP'S OVERVIEW

The Group operates two principal business segments. The EC Segment engages in brand e-commerce operations in the PRC, providing marketing, online agency operations, as well as online retailing and distribution services. The NSC Segment focuses on the sales and provision of integrated networking, sound and communication systems, as well as alert alarm system services to customers in Singapore, Malaysia, and the PRC. The two expanded business segments substantially boosted the growth in the overall annual revenue of the Group and achieved an annual revenue of approximately RMB 97.2 million for the Year.

E-commerce

The Group provides brand e-commerce operations in the PRC and Malaysia, offering integrated solutions such as market analysis, digital marketing, online store management, consumer engagement, customer service, and logistics support. By connecting brand owners, e-commerce platforms, and consumers, we enable clients to expand market reach, enhance brand influence, and drive sustainable business growth. The Company has established its operation service team in Malaysia and plans to expand its e-commerce operation in Southeast Asia.

Through data-driven strategies and responsible operations, we support the development of an inclusive and efficient digital ecosystem. Our e-commerce services not only create value for brand owners and platforms but also contribute to ESG objectives by promoting responsible consumption, strengthening supply chain efficiency, and advancing innovation within the digital economy.

NSC Business

The Group's NSC Segment across Singapore, Malaysia, and the PRC. We actively support clients in healthcare, education, public housing, and railway sectors by delivering customised and innovative system solutions that enhance operational efficiency, safety, and connectivity.

In Singapore and Malaysia, we continue to expand our offerings to meet rising demand in healthcare infrastructure, collaborating with stakeholders to introduce cloud-based solutions and advanced wired and wireless systems. In the PRC, we align with the government's digitalisation strategy by participating in major infrastructure and railway projects, contributing to the development of smart and digital cities.

Our NSC operations drive social values by strengthening public healthcare and housing systems, supporting digital transformation in communities, and enhancing safety and resilience in transportation infrastructure. Through sustainable innovation and stakeholder collaboration, we create shared value while advancing long-term industry and social development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present this Report of ISP Global Limited for 2025/2026. The Board takes overall responsibility for the Group's ESG strategy and performance, and we recognise that embedding sustainability into our core business is essential to long-term growth and resilience.

The Group operates two principal business segments. In our E-commerce operations in the PRC, we help brand owners strengthen consumer engagement, enhance supply chain efficiency, and promote responsible consumption through digital platforms. In our Networking, Sound and Communication segment in Singapore, Malaysia, and the PRC, we contribute to community well-being and digital transformation by delivering innovative solutions that support healthcare, education, housing, and railway infrastructure. These activities reflect our commitment to creating value not only for shareholders but also for society.

During the Year, the Board reviewed and assessed climate-related and social risks, and monitored the implementation of sustainability initiatives. We also prioritised stakeholder engagement, employee development, and operational efficiency to ensure our growth remains responsible and inclusive.

Looking ahead, we will continue to strengthen ESG governance, explore opportunities to reduce our environmental footprint, and align our business development with the needs of our stakeholders. With the support of our employees, partners, and customers, we are confident in delivering sustainable value and contributing to a more resilient future.

On behalf of the Board, I would like to thank our shareholders, employees, customers, and business partners for their trust and support. Together, we will continue to pursue sustainable growth and shared success.

Cao Chunmeng
Chairman

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

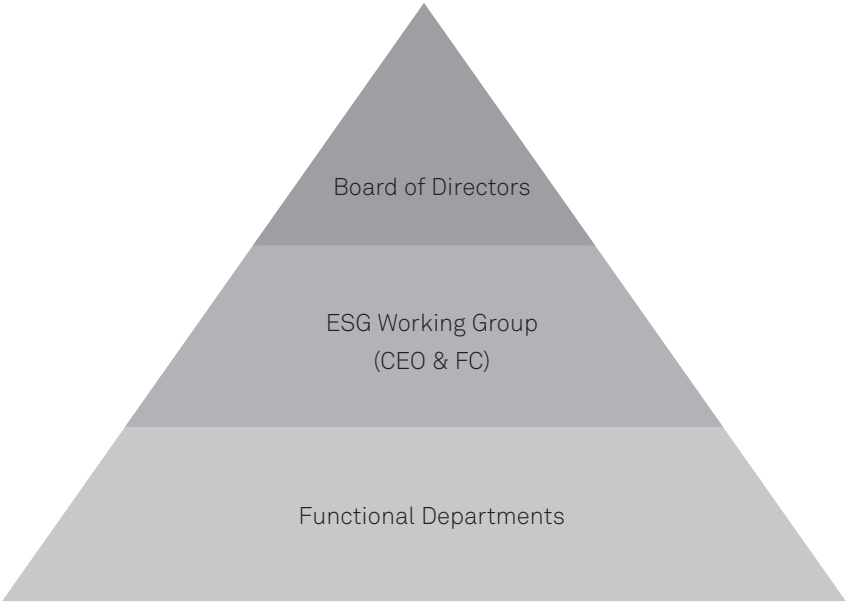
BOARD'S OVERSIGHT OF ESG ISSUES

The Board assumes overall responsibility for the Group's ESG matters, including the identification of material risks and opportunities, approval of ESG strategies, and oversight of their implementation. ESG performance is regularly reviewed and reported to the Board to ensure alignment with regulatory requirements, stakeholder expectations, and the principles of transparency, balance, and accountability set out in the ESG Code.

ESG WORKING GROUP

To strengthen ESG governance and ensure effective management of sustainability matters, the Group has established an ESG Working Group led by the Chief Executive Officer (the "**CEO**") and the Financial Controller (the "**FC**"). The ESG Working Group is responsible for coordinating ESG initiatives, monitoring related risks, and supporting the Board in overseeing ESG strategy and performance.

The ESG Working Group convenes at least annually to review material ESG issues, assess stakeholder concerns, and evaluate the progress of sustainability initiatives. It works closely with management and relevant departments to collect ESG data, monitor the implementation of measures, and ensure that appropriate policies are in place to manage and mitigate ESG-related risks. Through this structure, the Group enhances accountability, promotes cross-departmental collaboration, and drives continuous improvement in ESG performance.



ESG Governance Structure

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG MANAGEMENT APPROACH

The Group adopts a systematic ESG management approach by conducting annual materiality assessments to ensure alignment between identified ESG topics, operational priorities, and stakeholder expectations. Through ongoing stakeholder engagement, benchmarking against industry practices, and active communication with management, the Group identifies and prioritises critical ESG issues to enable effective embedding within business strategies. This process strengthens the Group's understanding of stakeholder concerns, supports comprehensive sustainable development planning, and guides the disclosure of material ESG areas in this Report.

REVIEW OF ESG-RELATED GOALS AND TARGETS

Monitoring the progress of target implementation and performance regularly is crucial to keep the Group on the right track. If there is a significant deviation from the target, it is necessary to revise strategies accordingly. Effective communication of goals and targets of key stakeholders is essential to make them feel like they are an integral part of the Group's journey towards the change. The ESG Working Group carefully evaluates the feasibility of targets by considering the Group's ambitions and goals. Throughout the Year, the Groups established targets based on absolute measures.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENGAGEMENT WITH STAKEHOLDERS

The Group recognises that effective stakeholder engagement is fundamental to sustainable development and long-term value creation. We maintain ongoing dialogue with key stakeholders through a range of formal and informal channels. Feedback collected from stakeholders helps the Group to understand their expectations, identify material ESG issues, and continuously improve our strategies and performance. By fostering transparent communication and building trusted relationships, the Group ensures that sustainability considerations are fully integrated into its business operations and decision-making process. The table below illustrates various communication methods used by the Group to engage with each stakeholder:

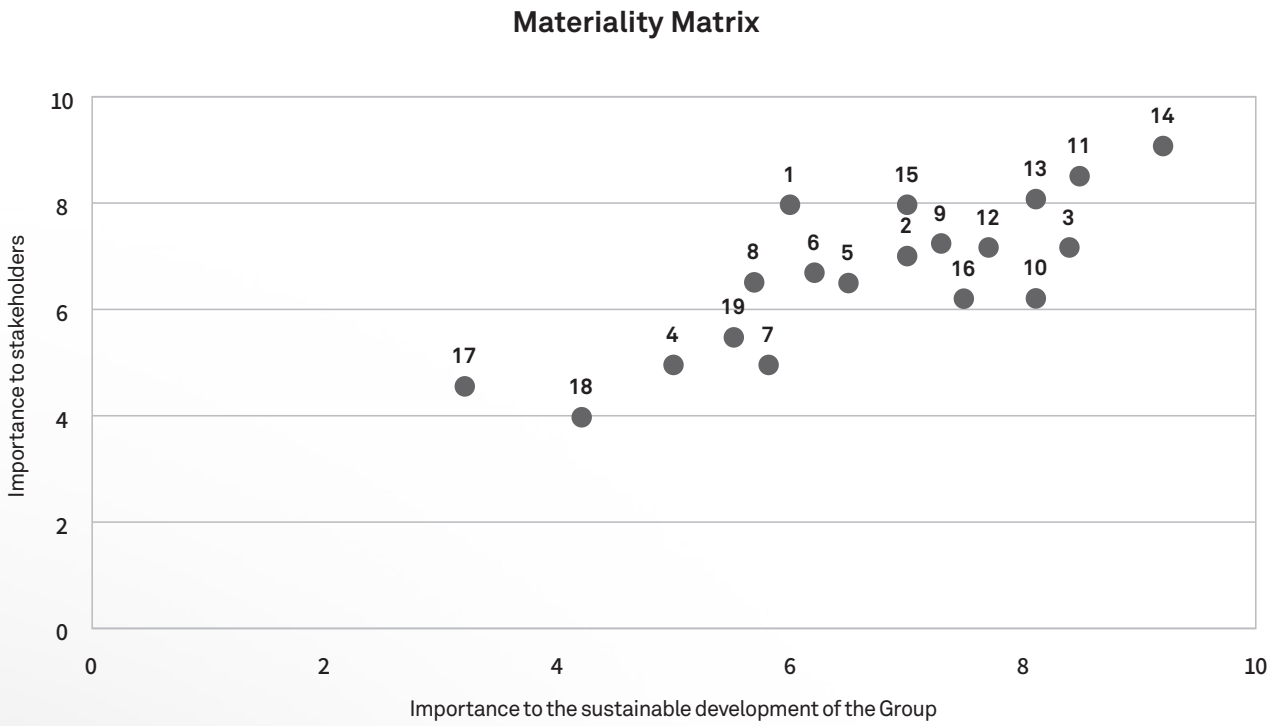
Stakeholder Groups	Specific Stakeholders	Methods of Communication
Investors	• Shareholders • Potential investors	• Annual and interim financial report • Quarterly reports and announcements • General meetings • Corporate website • Disclosure of stock listing information
Employees	• Direct workers • Potential recruits • Senior Management • Staff	• Direct communication • Independent focus groups and interviews • Regular performance assessment • Training and seminars
Customers	• Singapore Government agencies • Private organisations • Ultimate users	• Customer assessment • Social media • Mechanism for processing complaints • Periodical meetings with contractors and customers
Supplier/Contractors	• Suppliers • Sub-contractors • Service providers	• Daily work review • Site inspection and meeting with subcontractors • Supplier assessment
Government	• National and local governments • Regulators	• Government initiatives • Written correspondence • Statutory reports and general disclosures
Community	• National and local community organisations	• Internship programme • Volunteering activities

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

Stakeholder feedback serves as the best reference to enhance our operational performance and drive business development. Throughout the Year, the Group conducts internal and external materiality assessments to identify ESG issues that are deemed to be material to the Group. In the process of identifying the material topics, we incorporated the opinions and expectations of various stakeholders into our long-term ESG strategies.

The materiality assessment conducted in the Year has yielded a refined set of 19 material topics from an initial list of 22 potentially relevant issues. The materiality matrix visually depicts the relative importance of different issues to our stakeholders and our business operations. The matrix helped us to identify key issues of substantial importance to both parties. Issues falling within the top right-hand quadrant of the matrix were considered to be of high significance.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Protect our planet

1. Air and emissions control
2. Resource management (energy, water, waste)
3. Project management (E-commerce operation and material usage)
4. Logistics and packaging efficiency

Responsible value chain

10. Anti-corruption
11. Data security and privacy
12. Supply chain management
13. Customer satisfaction
14. Product & service quality
15. Transparent and fair procurement practices
16. Business ethics

Dedicated workforce

5. Occupational health and safety
6. Employment practices
7. Employee training and development
8. Workplace inclusion
9. Human rights protection

Corporate social responsibility ("CSR")

17. Community investment
18. Caring the vulnerable
19. Site impact on local communities

ENVIRONMENTAL ASPECTS

With increasing expectations from regulators, investors, and the wider community, environmental sustainability has become a core component of the Group's CSR. The Group is committed to operating in an environmentally responsible manner by optimising the use of resources, reducing emissions, and promoting sustainable practices across its value chain.

To strengthen environmental governance, the Group has established clear compliance policies and procedures that set out management directives on key environmental aspects. These measures not only ensure compliance with applicable regulations but also support continuous improvement in environmental performance. In addition, the Group actively promotes awareness of environmental responsibility among employees, suppliers, and other stakeholders, reinforcing a shared commitment to protecting the natural environment.

Emission Control

In response to pressing global environmental challenges, such as climate change, air pollution, and depletion of natural resources, the Group remains committed to the principles of environmental regulations while striving to integrate sustainability into our business operations.

As a non-manufacturing company primarily engaged in sound and communication system services and e-commerce solutions, the Group's operations do not generate significant environmental impacts. We do not produce hazardous waste, nor do our activities involve material consumption of energy or water resources. Our main sources of indirect greenhouse gas ("**GHG**") emissions are electricity consumption at office premises and employee business travel. The Group does not use liquefied petroleum gas or other gases, and therefore has no relevant emissions to disclose for the Year.

To mitigate air emissions and GHG emissions, we closely monitor the fuel consumption and travel logs of our motor vehicles, thereby avoiding unnecessary fuel use when transporting materials between project sites and offices. All vehicles are subject to regular maintenance to maximise fuel efficiency. Nitrogen Oxide ("**NO_x**"), Sulphur Oxide ("**SO_x**"), and Particulate Matter ("**PM**") emissions from this source were all close to zero tonnes.

Recognising the impact of business-related air travel on our carbon footprint, the Group actively promotes the use of digital communication tools, including instant messaging, video conferencing, and teleconferencing, as alternatives whenever feasible.

The Group acknowledges that safeguarding the environment and promoting sustainable development require sustained collaboration across the value chain. We therefore continue to refine and improve mitigation measures to minimise both direct and indirect impacts arising from our operations. To address climate change while supporting business growth, the Group has set a target to reduce GHG emissions intensity and air pollutant emissions intensity per RMB1 million of annual revenue by 3% over the next five years, using the current year as a baseline.

Air Emissions

The principal sources of air emissions arising out of the Group's operations were petrol consumed by vehicles. In response to the aforementioned sources, the Group has actively taken the following measures to control air emissions.

- Plan routes ahead of time to avoid route repetition;
- Encourage the use of public transport;
- Optimise the operation procedure to improve the laden ratio of motor vehicles and lower the vacancy rate; and
- Perform yearly maintenance on vehicles to ensure optimal engine performance and fuel use.

Summary of the Group's air emission performance:

Air Pollutant Emissions[1]	**Unit(s)**	**2025/2026**	**2024/2025**
NO_x	kg	3.83	5.35
SO_x	kg	0.08	0.11
PM	kg	0.28	0.39
Total air pollutant emissions	kg	4.19	5.85
Intensity	kg per million of annual revenue	0.043	0.025

[1] The data covers emissions from petrol consumption only. It is estimated based on "How to prepare an ESG Report? Appendix C2: Reporting Code on Environmental KPIs" published by the Stock Exchange.

GHG emissions during the Year:

The Group measures and monitors GHG emissions as a key climate-related metric to assess its climate-related performance, support the management of climate-related risks and opportunities, and monitor progress towards its climate-related targets.

The calculation of GHG emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard (the "**GHG Protocol**") and relevant emission factors published by applicable authorities and utility providers. During the Year, the Group measured its absolute gross GHG emissions. The reported GHG emissions are summarised below:

GHG Emission Types[2]	Unit(s)	2025/2026	2024/2025
Direct emissions or removals from source (Scope 1)[3]			
GHG emissions from mobile combustion sources			
Carbon Dioxide (CO_2)	tonne	11.73	16.89
Methane (CH_4)	tonne	0.02	0.06
Nitrous Oxide (N_2O)	tonne	0.02	2.10
Energy indirect emissions (Scope 2)[4] – CO_2 equivalent			
Electricity purchased from power companies	tonne	61.27	87.50
Other indirect emissions (Scope 3)[5] – CO_2 equivalent			
Category 1: Purchased goods and services	tonne	1.86	0.80
Category 5: Waste generated in operations	tonne	1.28	4.56
Category 6: Business travel	tonne	35.03	21.43
Total GHG emissions (Scope 1, 2 and 3)	tonne	111.21	133.34
Intensity[6]	tonnes per million of annual revenue	1.14	0.58

During the Year, the Group enhanced its Scope 3 GHG emissions disclosures by adopting the categorisation set out in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). The Group assessed the relevance of Scope 3 categories based on the nature of its business activities, the potential significance of emissions, data availability and reporting practicality. Following this assessment, the Group identified Category 1 (Purchased Goods and Services), Category 5 (Waste Generated in Operations) and Category 6 (Business Travel) as relevant and reportable Scope 3 categories. Other Scope 3 categories were assessed and considered either not material to the Group's operations or subject to data availability or measurement limitations. The Group will continue to review the relevance of additional Scope 3 categories and enhance its data collection and reporting processes in future reporting periods.

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2 Emission factors applied during the Year include those published under the GHG Protocol Cross-Sector Calculation Tools, the Greenhouse Gas Reporting: Conversion Factors 2025 issued by the UK Department for Energy Security and Net Zero, "National Carbon Footprint Factors 2024" issued by the Ecology and Environment of the PRC, "Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional)" issued by the Energy Commission of Malaysia, emission factors issued by Net Zero Hub Singapore, and the latest sustainability reports published by the HK Electric Investments Limited, Water Supplies Department and Drainage Services Department.

3 Scope 1: The direct emissions from the business operations owned or controlled by the Group, including the emissions from the Group's vehicle.

4 Scope 2: Indirect GHG emissions from the generation of purchased electricity consumed by the Group. Scope 2 GHG emissions are calculated using the location-based approach.

5 Scope 3: Other indirect GHG emissions arising from activities across the Group's value chain, including relevant upstream and downstream activities.

6 The Group's annual revenue is approximately HK$97.17 million in 2025/26 (2024/25: RMB231.74 million).

As the Group adopted an enhanced methodology for Scope 3 emissions categorisation and reporting during the Year, the scope and basis of the reported data may differ from those of the previous reporting period. Accordingly, the current-year data may not be directly comparable with the prior-year data. The Group will continue to refine its data collection and calculation methodologies to support more consistent reporting over time.

During the Year, Scope 3 emissions rose mainly because of higher business travel emissions linked to the Group's overseas market expansion. Meanwhile, GHG emissions intensity rose primarily because the decline in the Group's annual revenue exceeded the reduction in its total GHG emissions during the Year.

The Group has established a GHG emissions intensity target to guide its efforts to reduce emissions. The target and its setting methodology have not undergone third-party verification, and the target was not developed using a sectoral decarbonisation approach. The ESG Working Group reviews progress against the target and proposes adjustments where necessary, subject to the Board's oversight and final approval. Progress is monitored using the Group's GHG emissions intensity metric. The Group may review and revise the target in response to material changes in its business operations, regulatory requirements or decarbonisation conditions, or upon achievement of the target. The Group currently prioritises internal emissions-reduction measures and does not plan to use carbon credits to meet its target. Any future plans involving carbon credits will be disclosed in subsequent ESG reports.

Waste Management

The Group recognises the importance of responsible waste management as part of its environmental stewardship. We remain committed to adopting the principles of Reduce, Reuse, and Recycle across our operations to minimise the impact of waste on the environment.

As the Group is not engaged in manufacturing activities, our operations do not generate hazardous waste. The waste generated from our daily office activities primarily comprises non-hazardous solid waste, such as paper. These waste are collected and processed by government-approved service providers. In the PRC, a property management oversees the collection and disposal of office waste, while in Singapore, our office participates in the National Recycling Program, covering paper, plastic bottles and metal cans.

To reduce our environmental footprint, the Group actively promotes sustainable practices, including:

- Encouraging employees to minimise the use of disposable items and adopt digital tools to reduce paper consumption;
- Implementing waste segregation at source and assigning responsible personnel to oversee the collection and disposal of recyclables; and
- Raising staff awareness through regular communication on sustainable office practices.

Waste	Unit(s)	2025/2026	2024/2025
Total non-hazardous waste	kg	852.72	949.67
Intensity	kg/employee	6.27	6.55

The Group does not generate hazardous waste. Therefore, the relevant KPIs were not applicable to the Group. Although comprehensive quantitative data and related KPIs on waste generation are currently not available to the Group, we acknowledge the importance of monitoring and transparency in this area. We will continue to work with the property manager and service providers to improve access to data and enhance disclosure quality over time.

Use of Resources

The Group acknowledges that responsible use of resources is central to sustainable development. While our business operations are primarily office-based and therefore have a relatively low environmental footprint compared with manufacturing industries, we remain committed to managing the consumption of energy, water, and office materials in a responsible and efficient manner.

Energy consumption represents the Group's principal resource use. To mitigate our environmental impact and reduce operating costs, we have implemented measures to monitor and improve the efficiency of office equipment and daily operations. Employees are encouraged to adopt energy-saving practices, including switching off non-essential lighting and electrical appliances when not in use. We have also introduced practical initiatives such as installing separate light switches and motion sensors in less frequently used areas, maintaining average indoor temperatures at 25°C, and using energy-efficient appliances such as LED lighting, computers, and projectors.

In addition, the Group promotes responsible use of office materials by encouraging double-sided printing, digital filing instead of paper documentation, and routine maintenance of equipment to ensure efficiency. These practices not only reduce unnecessary resource consumption but also foster an environmentally conscious workplace culture.

Energy consumption during the Year:

Energy Consumption	Unit (s)	2025/2026	2024/2025
Direct energy consumption	MWh	49.65	69.36
Intensity	MWh/million of annual revenue	0.51	0.30
Indirect energy consumption	MWh	124.2	159.65
Intensity	MWh/million of annual revenue	1.28	0.69

As the packaging process of the Group is outsourced and/or completed by the suppliers. The Group does not input any significant packaging material into its products.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

THE ENVIRONMENT AND NATURAL RESOURCES

As a non-manufacturing organisation, the Group's operations have limited direct impact on the environment and natural resources. Nonetheless, we recognise that environmental protection is a shared responsibility and remain committed to managing our ecological footprint in a responsible and sustainable manner.

The Group takes into account the potential environmental and natural resource risks associated with its office-based activities, including energy consumption, paper usage, and water resources. We are mindful of how these resources are utilised in daily operations and strive to adopt conservation practices that minimise wastage and improve efficiency.

The Group acknowledges that ESG policies and practices are subject to ongoing evolution. This evolution is driven by shifts in business operations, organisational structures, technological advancements, legal and regulatory frameworks, environmental regulations, and broader environmental considerations.

Aligned with the Paris Agreement, which sets emissions reduction targets to mitigate global warming, provides a clear framework for collective climate action. In support of this global initiative, the Group is committed to mitigating climate-related risks through enhanced GHG emissions management and contributing to the transition towards a low-carbon economy. The Group has established a reduction target to lower air pollutant emissions intensity and GHG emissions intensity by 3% by FY2030/2031, using FY2025/2026 intensity levels as the baseline. This target underscores our determination to align our operations with international climate action efforts. To achieve this target, the Group has adopted the principles of Reduce, Replace, and Reuse in line with national initiatives.

The Group also recognises the importance of monitoring progress. Management will perform periodic reviews and track progress against the target, with results disclosed in our annual ESG reporting. We are adopting recognised international frameworks, International Financial Reporting Standard ("**IFRS**") S2 Climate-related Disclosure, to strengthen transparency in our climate-related disclosures.

The Group has adhered to all relevant environmental laws and regulations throughout the Year, including:

- Singapore: the Environmental Protection and Management Act 1999;
- Malaysia: the Environmental Quality Act 1974, the Water Services Industry Act 2006, and the Solid Waste and Public Cleansing Management Act 2007;
- Hong Kong: the Air Pollution Control Ordinance (Cap. 311), the Waste Disposal Ordinance (Cap. 354), and the Water Pollution Control Ordinance (Cap. 358); and
- The PRC: the Water Law, the Energy Law, the Energy Conservation Law, the Environmental Protection Law, and the Pollution Prevention and Control Law.

The Group has also complied with all environmental requirements imposed by its customers, as well as other applicable government regulations relevant to its operations.

During the Year, the Group was not aware of any instances of non-compliance with laws or regulations that had a material impact on the Group, including those relating to air and GHG emissions, noise control, discharges into water and land, and the generation of hazardous and non-hazardous waste.

Water Consumption[7]	Unit (s)	2025/2026	2024/2025
Consumption for the Year	m^3	1,357.90	1,438.50
Intensity	m^3/million of annual revenue	13.97	6.21

The Group will continue to assess, record, and disclose its GHG emissions and other environmental data on an annual basis, and will regularly review the effectiveness of its existing measures to ensure continuous improvement.

Climate Change

In response to the escalating global challenge of climate change, the Group recognises both the risks and opportunities it presents to our business operations and long-term development. Climate change has the potential to disrupt supply chains, increase operating costs, and affect the resilience of the communities in which we operate. Accordingly, the Group has taken proactive measures to integrate climate-related considerations into our governance, strategy, and risk management frameworks.

Collaboration remains central to our approach. We actively engage employees, suppliers, customers, and local communities to encourage sustainable practices across our value chain. By fostering shared responsibility and collective action, the Group aims not only to reduce its environmental footprint but also to contribute meaningfully to global climate objectives.

The Group refers to the climate-related disclosure framework set out in Part D of Appendix C2 to the GEM Listing Rules. The Group also considers the relevant principles of IFRS S2 Climate-related Disclosure where applicable in addressing climate-related governance, strategy, risk management, and metrics and targets.

[7] Data of water consumption of the Group's operations in Singapore, Malaysia, and the PRC are covered. The water usage of the Hong Kong operations is not included as it is originally included in the property management fee, no record could be located.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Governance

The Board is responsible for overseeing the Group's climate-related risks and opportunities and considering relevant climate-related matters in its strategic planning and overall risk management. Management updates the Board on climate-related risks, opportunities and relevant initiatives at least annually. The Board also oversees the implementation of measures to address identified climate-related risks and opportunities and monitors progress towards the Group's climate-related targets.

Management is responsible for identifying and managing relevant climate-related risks and opportunities, implementing appropriate measures and monitoring progress towards the Group's climate-related targets. The ESG Working Group assists Management in coordinating relevant initiatives across departments and collecting climate-related information for reporting purposes. Management reports relevant climate-related matters and progress to the Board at least annually. Where necessary, the Group engages external consultants to provide professional support on climate-related assessments and disclosures.

The Group continues to review the skills and expertise required to oversee climate-related matters and the effectiveness of its climate-related management approach. Currently, climate-related performance metrics are not incorporated into the Group's remuneration policies.

Strategy

Climate change may affect the Group's business operations, supply chain and operating costs. It may also create new business opportunities. The Group provides integrated services of networking, sound and communication systems and e-commerce. The Group recognises the importance of identifying and managing climate-related risks and opportunities. It considers the potential effects of climate change on its business activities and operating environment.

The Group considers both physical and transition risks. Physical risks include extreme weather events and long-term changes in climatic conditions. Transition risks may arise from changes in policies, regulations, technology, market expectations and stakeholder requirements. The Group has implemented various measures to manage relevant climate-related risks. These measures focus on business continuity, energy efficiency, resource conservation and operational resilience. The Group also considers opportunities arising from digitalisation, energy-efficient technologies and the growing demand for environmentally preferable products and services.

The following table summarises the climate-related risks identified by the Group, their potential business implications and the corresponding mitigation measures:

Climate-related Risks Description	Mitigation Responses
Physical risks (Acute) (Short term)	
• The heightened occurrence of floods, typhoons, and severe storms can endanger employee safety and damage the Group's physical assets, such as equipment, documents, systems, and inventory. In the event of extreme weather, the potential for facility disruptions and damages may lead to increased costs for repair, maintenance, and business continuity measures. • Extreme weather events can significantly disrupt logistics operations, impacting the timely delivery of products and services, and creating instability within the supply chain. Furthermore, climate-related risks may lead to increased insurance premiums, with the availability of coverage in high-risk areas potentially being reduced.	• The Group has implemented a comprehensive disaster recovery and business continuity plan, which includes securing office spaces and ensuring that all employees are trained on emergency evacuation procedures. • Offices in high-risk areas will implement appropriate measures to ensure the safety of personnel and vital documents during extreme weather events. Physical documents will be moved away from windows and securely stored. Where possible, electronic backups of all critical files will be created to prevent data loss. • The Group has adopted a diversified supply chain strategy to mitigate the risk of disruptions in any single location. By sourcing from multiple regions and suppliers, we minimise the impact of location-specific disruptions. Additionally, we work with logistics partners to improve resilience and explore alternative transport routes to reduce the risk of delays.
Physical risks (Chronic) (Medium to long term)	
• Rising temperatures due to climate change can significantly increase operational costs, particularly for air conditioning systems required to maintain comfortable working environments. Heatwaves also pose health risks to employees, potentially reducing productivity. • Climate change is exacerbating extreme weather events, contributing to water scarcity, particularly in regions like China. As paper is a critical resource for office operations and wood is a primary raw material for its production, prolonged periods of extreme weather could disrupt the supply of wood, affecting paper availability.	• To enhance energy efficiency and employee comfort, the Group uses direct current variable-frequency air conditioners, featuring automatic controls and adjustable temperature settings to minimise energy consumption. • Energy-saving notices are displayed at different locations of the operations to remind employees to switch off the electrical appliances that are not in use.

Climate-related Risks Description	Mitigation Responses
Transition risks (Policy and legal risks) (Medium term)	
• Governments are intensifying their climate ambitions through stricter regulations and policy frameworks. In the PRC, the national "30.60" decarbonisation target commits to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. In Singapore, the Singapore Green Plan 2030 supports the UN's 2030 Sustainable Development Agenda and the Paris Agreement, aiming for net-zero emissions by 2050. These initiatives are expected to drive changes in the power sector, potentially resulting in higher energy costs for the Group and its suppliers, with knock-on effects on operational expenditure. • Increased government regulation and oversight also elevate the risk of litigation if companies fail to comply with evolving climate-related laws and disclosure requirements. For the Group, timely adaptation to these regulatory developments is essential to avoid legal exposure and reputational risks.	• The Group actively monitors updates to relevant policies, laws, and international agreements to ensure full compliance. We integrate regulatory changes into our strategic and operational planning to minimise unexpected costs and ensure operational resilience. • Recognising the importance of energy management and emissions reduction, the Group has adopted energy-saving strategies across its offices and operations, including electricity reduction targets and digitalisation of processes to cut paper consumption. • In addition, the Group conducts supplier assessments to evaluate energy and emissions management practices. We encourage suppliers to adopt energy management systems, monitor energy and resource consumption, and implement energy-efficient technologies to align with global low-carbon transition goals.
Transition risks (Technology risks) (Short to Medium term)	
• For the E-commerce segment, resilience on digital platforms necessitates ongoing improvements in cloud computing, data analytics, and energy-efficient IT infrastructure. The introduction of greener technologies could increase operating costs in the short term as legacy systems are replaced, while failure to adopt could reduce competitiveness and efficiency. • For the NSC segment, advancements in smart infrastructure and green building technologies are reshaping customer requirements in healthcare, housing, and transaction sectors. Clients increasingly demand energy-efficient and low-carbon system solutions. The inability to keep pace with these technological expectations may limit market opportunities and reduce client trust.	• The Group actively collaborate with technology providers and industry stakeholders to adopt energy-efficient hardware, cloud-based platforms, and smart communication systems that reduce emissions and resource consumption.

Climate-related Risks Description	Mitigation Responses
Transition risks (Market risks) (Short to Medium term)	
• Growing public awareness of climate change and sustainability is reshaping consumer behaviour and driving demand for environmentally friendly products and services. Failure to respond promptly to these evolving expectations or competitors' ability to address them more effectively could negatively impact the Group's market share, business growth, and financial performance. • In addition, as suppliers adopt more sustainable practices to align with international standards, procurement costs may rise. These changes include investments in green infrastructure, such as facilities designed in accordance with Leadership in Energy and Environmental Design (LEED) standards, as well as the substitution of raw materials and equipment with lower-carbon alternatives.	• The Group's E-commerce segment offers strong flexibility, enabling us to actively monitor consumer preferences and collaborate with suppliers and e-commerce platforms to adjust our product and service offerings in a timely manner. This allows us to capture opportunities while meeting shifting market demands. • The Group is committed to identifying and investing in innovative solutions that enhance operational efficiency, optimise resource utilisation, and reduce emissions across our operations. Although these initiatives may incur higher upfront costs, they are expected to strengthen long-term competitiveness, enhance customer trust, and generate lasting benefits for both the Group and society.
Transition risks (Reputation risks) (Short to Medium term)	
• Heightened stakeholder expectations regarding sustainability performance and climate responsibility may expose the Group to reputational risks if our practices are perceived as insufficient or inconsistent with market norms and global best practices. Negative public perception could undermine customer trust, brand value, and investor confidence. • Increasing scrutiny from investors, regulators, and civil society organisations also raises the risk of adverse publicity should the Group fail to meet climate-related commitments or disclose environmental data transparently. Such outcomes could reduce access to capital markets or affect our ability to attract and retain key talent.	• The Group actively manages these risks by strengthening ESG governance, integrating climate considerations into corporate strategy, and maintaining regular engagement with stakeholders to understand their evolving expectations. • To further mitigate reputational risks, the Group commits to transparent disclosure of climate-related data and targets, alignment with recognised reporting frameworks, and continuous improvement in environmental performance. • The Group places strong emphasis on customer feedback, recognising it as a critical factor in maintaining trust and safeguarding our reputation. By systematically gathering and incorporating feedback, we drive continuous improvement in our operations, products, and services.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition to addressing climate-related risks, the Group also recognises the opportunities arising from the global transition towards a low-carbon economy. These opportunities are closely linked to our long-term strategy and business model, and they provide potential for both operational efficiency and business growth.

Opportunity	The Group's Response	Potential Financial Impact
Resource Efficiency (Short term)	• Adoption of energy-efficient office systems (e.g., variable-frequency air conditioners). • Promotion of energy-saving practices across operations.	• Reduced energy consumption and utility expenses. • Improved cost competitiveness.
Supply Chain Resilience (Short to medium term)	• Conducting supplier sustainability assessments. • Prioritising environmentally responsible suppliers.	• Lower procurement risks. • Stable sourcing of materials. • Strengthened supplier relationships.
Market Differentiation & Consumer Preference (Medium term)	• Expansion of eco-friendly products and solutions in both E-commerce and NSC segments. • Alignment with growing consumer demand for sustainable offerings.	• Increased revenue from eco-conscious customers. • Enhanced market share. • Stronger brand reputation.
Access to Green Finance & Incentives (Medium to long term)	• Exploring green financing options. • Leveraging government subsidies for low-carbon initiatives.	• Lower financing costs. • Improved access to capital. • Enhanced investor confidence.
Innovation & Technology (Medium term)	• Invested in digitalisation, sustainable technologies, and smart systems. • Development of solutions that reduce emissions and improve efficiency.	• New revenue streams. • Enhanced competitiveness. • Long-term value creation.

The Group considers climate-related risks and opportunities when reviewing its business priorities and making decisions on procurement, resource allocation and technology investment. These considerations may influence its operational arrangements and future business development, depending on the nature and extent of the risks and opportunities identified.

Climate-related developments may affect the Group's business model through changes in customer demand, regulatory requirements, technology and market expectations. These developments may influence the products and services offered by the Group, as well as the technologies adopted to support its operations. The extent of any impact will depend on future market developments and the Group's business priorities.

Climate-related factors may also affect the Group's value chain. Upstream impacts may include changes in the availability, cost and delivery of equipment, materials and other supplies. Extreme weather events may disrupt transport and logistics. Downstream impacts may include delivery delays and changes in customer requirements for products and services. The Group considers these potential implications when reviewing procurement arrangements, supply chain resilience and customer needs.

The Group will continue to consider climate-related matters in its business planning and operational reviews. Any changes to its business strategy, model or value chain will depend on the materiality of the risks and opportunities identified and the commercial feasibility of the relevant measures.

Climate Resilience

The Group recognises the importance of maintaining operational resilience in response to climate-related risks. The Group's resilience measures include relevant business continuity arrangements, protection and backup of important information, consideration of alternative supply and transport arrangements, energy conservation and digitalisation. These measures are intended to help reduce potential disruptions and support the continuity of business activities.

The Group's ability to respond to climate-related risks depends on the nature and severity of the risks, the effectiveness of its measures and the resources available. The Group will continue to review its exposure to climate-related risks and the adequacy of its response measures in light of changes in its operations and operating environment.

The Group's current assessment of climate resilience is based on its identification of relevant risks and consideration of potential business implications and response measures. The Group does not conduct climate scenario analysis to assess its resilience under specific climate scenarios. It will consider whether further assessment is appropriate as its climate-related risk management approach develops.

The Group recognises that measures to address climate-related risks and opportunities may require additional resources or investment. These may include improvements to energy efficiency, business continuity arrangements, digital systems and procurement practices. The Group will consider the potential costs and benefits of such measures in light of its operational needs, available resources and business priorities.

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Risk Management

We place significant emphasis on addressing the major environmental, regulatory and market changes brought about by climate change. We assess climate impacts through a four-step process comprising identification, assessment, management and disclosure, and have established a corresponding risk management framework with a view to enhancing the Group's ability to respond to complex climate change scenarios.

Risk identification	The Company collects feedback from relevant stakeholders and analyses the trends of climate risks and opportunities and industry development.
Risk assessment	Management identifies the types of climate risks, the potential impact on the Group and opportunities.
Risk Management	The Company formulates specific measures for identified risks and assessment results and evaluates their effectiveness, and continuously optimises the risk management mechanism.
Risk Disclosure	The Company discloses the Group's response to climate change in its annual ESG Report with reference to Part D of Appendix C2 to the GEM Listing Rules and IFRS S2 where applicable.

Climate-related risks and opportunities are considered alongside other relevant business risks to support the Group's business planning and operational decision-making. The Group reviews identified risks and the adequacy of its response measures in light of changes in its business activities, operating environment and applicable regulatory requirements.

Where necessary, the Group may seek external professional advice to support its climate-related risk assessments and disclosures. Relevant climate-related information is compiled and reviewed for inclusion in the annual ESG Report. The Group aims to ensure that its disclosures appropriately reflect its identified climate-related risks and opportunities, assessment approach and response measures.

Metrics and Targets

The Group's GHG emissions performance is disclosed in the "Air Emissions" section of this ESG Report. In addition, the Group has assessed the applicability of other climate-related metrics, including quantitative information on assets or business activities exposed to climate-related risks and opportunities, capital deployment towards climate-related matters, internal carbon pricing and industry-based metrics. Based on this assessment, the Group does not currently disclose quantitative information on these metrics, as they are considered not applicable or not material to the Group's existing operations, or are subject to limitations in data availability or assessment methodologies.

The Group has incorporated relevant climate-related considerations into its climate governance, risk management and strategic planning processes. It will continue to review the relevance of additional climate-related metrics and enhance its climate-related disclosures with reference to Part D of Appendix C2 to the GEM Listing Rules and IFRS S2 where applicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL ASPECTS

The Group recognises that our long-term success is closely linked to our ability to create a positive impact on people, including our employees, customers, suppliers, and the broader communities in which we operate. Social sustainability is therefore embedded as a core pillar of our ESG strategy.

We are committed to fostering a safe, inclusive, and supportive workplace, ensuring that our employees are equipped with the skills and resources necessary to thrive. Beyond the workplace, we prioritise responsible relationships with our business partners and suppliers, and strive to deliver high-quality, reliable, and sustainable products and services to our customers. The Group aims to strengthen trust with stakeholders, drive sustainable growth, and create lasting social value.

Employment and Labour Practices

The Group is committed to fostering a fair, diverse, and inclusive workplace where all employees are treated with dignity and respect. We believe that a strong and engaged workforce is fundamental to our long-term success and is an essential pillar of our ESG strategy.

We strive to ensure equal opportunities in recruitment, development, and advancement, irrespective of gender, age, ethnicity, nationality, marital status, religion, sexual orientation, disability, or any other protected characteristic. Our human resources policies are designed to safeguard fairness and transparency across recruitment, compensation, training, performance evaluation, and promotion processes.

To support employee well-being and strengthen talent retention, we provide competitive remuneration and benefits packages that align with prevailing market standards and reward individual competencies, qualifications, and performance. In addition to statutory contributions and benefits, the Group also implements incentive schemes to recognise employee achievements. We conduct annual performance evaluations to provide constructive feedback, identify areas for improvement, and create opportunities for career advancement.

The Group fully complies with labour-related laws and regulations in all jurisdictions where we operate, including:

- Singapore: Employment Act 1968, Central Provident Fund Act 1953;
- Malaysia: Employment Act 1955, Employees' Provident Fund Act 1991, and Employment Insurance System Act 2017;
- Hong Kong: Employment Ordinance (Cap. 57), Mandatory Provident Fund Schemes Ordinance (Cap. 485), and Minimum Wage Ordinance (Cap. 608); and
- The PRC: Labour Law and Labour Contract Law of the PRC.

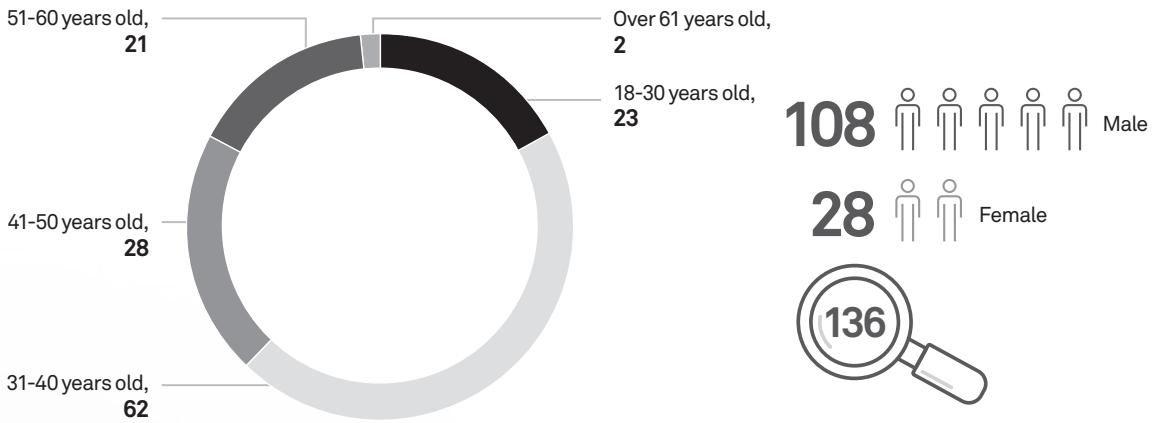
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

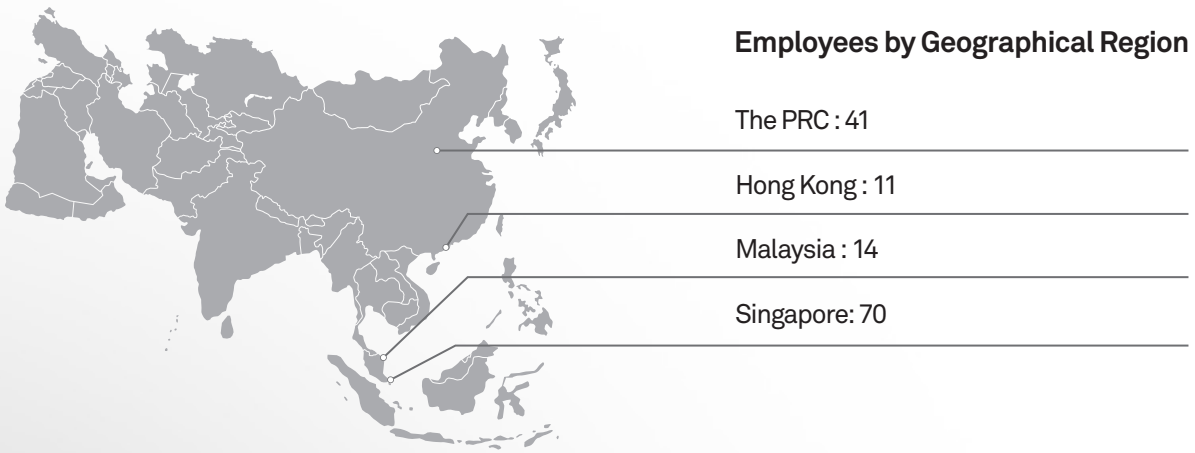
Beyond compliance, the Group remains dedicated to fostering long-term talent development. We invest in training programmes to equip employees with the skills needed to adapt to technological advancements, market developments, and ESG-related knowledge. This approach strengthens our human capital, supports employee career growth, and ensures the Group's sustainable development.

Staff Composition

As at 30 June 2026, we employed a total of 136 staff, (2024/2025: 145) including 135 (2024/2025: 144) full-time (including independent non-executive director) and 1 (2024/2025: 1) part-time staff.

Employees by Gender and Age Group





Employee Turnover[8]

As at 30 June 2026, the Group has an employee turnover rate of approximately 23%.

	Employee Turnover 2025/2026		Employee Turnover 2024/2025	
Employee Composition	**Number of people**	**Turnover rate**	**Number of people**	**Turnover rate**
By Gender				
Male	23	21%	9	9%
Female	8	29%	–	0%
By Age Group				
18-30 years old	13	57%	3	8%
31-40 years old	12	19%	3	5%
41-50 years old	4	14%	3	12%
51-60years old	2	10%	–	0%
Over 61 years old	–	0%	–	0%
By Geographical Region				
Singapore	2	3%	2	4%
Malaysia	1	7%	2	40%
Hong Kong	1	9%	2	17%
The PRC	27	66%	3	4%

As at 30 June 2026, the Group was not aware of any cases of non-compliance with laws and regulations that have a material impact on the Group in respect of compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, or other employee benefits and welfare.

Health and Safety

The Group places paramount importance on safeguarding the health, safety, security, and well-being of its employees. While the inherent occupational health and safety ("**OHS**") risks in our business operations remain relatively low, we are committed to upholding high standards of workplace safety through continuous improvement, robust compliance, and proactive risk management.

[8] Turnover rate = Number of employees in the specified category left the Group during the Year/Number of employees in the specified category as at the end of the Year. The Group had a total of 9 employees left the Group during the Year.

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Our safety rules and policies are fully aligned with all relevant laws and regulations, including but not limited to:

- Singapore: Work Injury Compensation Act 1968, Workplace Safety and Health Act 2006;
- Malaysia: Occupational Safety and Health Act 1994, Workmen's Compensation Act 1952, Employees' Social Security Act 1969;
- Hong Kong: Employees' Compensation Ordinance (Cap. 282), Occupational Safety and Health Ordinance (Cap. 509); and
- The PRC: Law on the Prevention and Control of Occupational Diseases (2016), Regulation on Work-Related Injury Insurance, Work Safety Law of the PRC (2021 Revision).

To ensure comprehensive coverage, the Group maintains appropriate compensation and medical insurance schemes for employees across all jurisdictions. For example, in Singapore, all office employees are covered by group hospitalisation and surgical insurance in compliance with Ministry of Manpower requirements, while employees in Hong Kong, the PRC, and Malaysia are insured under work injury compensation schemes in accordance with regulatory standards. Additionally, the Group provides essential protective equipment such as helmets, safety shoes, and safety goggles at its offices and project sites, all of which have passed relevant governmental safety inspections.

The Group is fully committed to complying with all applicable workplace safety and health regulations. We require all employees and subcontractors to adhere strictly to our comprehensive safety policies while carrying out their duties. In line with the Workplace Safety and Health (Construction) Regulations 2007, our employees receive the requisite health and safety training and certifications to effectively supervise or oversee worksite activities. The Group has obtained BizSafe Level 3 certification, underscoring our dedication to maintaining a safe and secure working environment. To reinforce this commitment, we provide regular safety training programmes, conduct risk assessments prior to site deployment to identify potential OHS hazards, and ensure that our project implementation and safety teams carry out pre-execution site safety briefings as well as routine on-site inspections during project execution. These initiatives serve to remind workers of precautionary and preventive measures.

In addition, we conduct periodic internal audits to verify compliance with our systems, manuals, and procedures, ensuring continuous improvement in workplace health and safety management.

In response to evolving global health concerns, including communicable disease outbreaks, the Group has embedded health resilience measures into daily operations. These include proactive dissemination of health and hygiene guidance and establishment of flexible work arrangements where appropriate.

Work Injury Statistics	Unit(s)	2025/2026	2024/2025	2023/2024
Number of work-related fatalities	Case(s)	–	–	–
Rate of work-related fatalities	Percentage	0%	0%	0%
Number of reported accidents (Sick leave > 3 days)	Case(s)	–	–	–
Lost day due to injury	Day(s)	–	–	–

For each of the past three financial years, including the Year, the Group recorded no work-related fatalities and no lost days due to work injury.

As at 30 June 2026, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to providing a safe working environment and protecting employees from occupational hazards.

Development and Training

Recognising the pivotal role of human capital in sustaining long-term business growth, the Group is committed to providing equal opportunities for training, development, and career progression to all employees. We regard talent development as a strategic priority and strive to cultivate a learning culture that enhances both individual competencies and organisational resilience.

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Our comprehensive training and development programmes aim to improve employee efficiency, technical skills, and professional knowledge, while fostering a deeper understanding of roles and responsibilities. These programmes encompass a wide spectrum of training areas, including but not limited to:

Training Areas	Course Names
Workplace Safety and Health (WSH)	• Workplace Safety and Health Management in Construction Industry (WSHMCI). • CSOC Recertification Assessment. • WSH Microlearning (Construction Worker) – Tamil. • Apply Workplace Safety and Health in Construction Sites (Formerly known as CSOC).
Technical and Trade Skills	• Continuing Education and Training (CET) for Electrical Works. • Electrical Wiring Installation – Tradesman. • Continuing Education and Training (CET) for Plumbing and Piping Works.
Compliance and Regulatory Training	• Good Distribution Practice for Medical Devices (GDPMD) – Awareness & Implementation. • A Comprehensive Guide on E-Invoice Malaysia.
Professional and Functional Development	• IHRP Certified Associate (IHRP-CA). • Financial Statement Analysis. • INFO-TECH Year End Workshop.

For the Year, the breakdown of the training data was as follows:

Percentage of Employees Receiving Training[9]	2025/2026	2024/2025
By Gender		
Male	77%	80%
Female	23%	20%
By Employment Category		
Senior Management	5%	16%
Middle Management	16%	0%
General Staff	79%	84%

[9] Percentage of trained employees = Number of employees in the specified category who received training during the Year/ Number of employees who received training during the Year.

Average Training Hours[10]	2025/2026	2024/2025
By Gender		
Male	5.56	2.36
Female	3.29	1.58
By Employment Category		
Senior Management	1.33	2.23
Middle Management	15.00	–
General Staff	4.6	2.59

By investing in continuous learning, we aim to equip employees with up-to-date industry insights, best practices, and technical expertise that directly enhance job performance and innovation. Knowledge gained is further disseminated within teams to strengthen collective capabilities. During the Year, average training hours per employee increased compared with the previous year, reflecting the Group's ongoing emphasis on employee learning and professional development.

The Group provides regular briefings to all directors to enhance and refresh their knowledge and skills, ensuring they remain well-informed of their duties, responsibilities, and regulatory developments. To further support professional growth and align with the Group's long-term development objectives, we actively encourage employees to attend external seminars, conferences, and industry workshops. Employees who successfully complete professional examinations or obtain recognised vocational qualifications are eligible for training sponsorship from the Group.

Labour Standards

The Group acknowledges that child labour and forced labour are serious violations of fundamental human rights and contravene international labour conventions. We recognise that such practices undermine sustainable social and economic development and contradict our core values of fairness, integrity, and respect.

Accordingly, the Group strictly complies with all relevant laws and regulations across the regions in which we operate, including but not limited to:

- Singapore: Children and Young Persons Act 1993, the Employment Act 1968, and the Prevention of Human Trafficking Act 2014;
- Malaysia: Children and Young Persons (Employment) Act 1966 and the Employment Act 1955;
- Hong Kong: Employment of Children Regulations and Employment of Young Persons (Industry) Regulations under the Employment Ordinance (Cap. 57); and
- The PRC: Labour Contract Law and the Provisions on the Prohibition of Using Child Labour.

[10] Average training hours = Total training hours for employees in the specified category during the Year/ Total number of employees in the specified category at the end of the Year.

The Group maintains a strict prohibition against child labour and forced labour across all business operations and supply chains. During recruitment, we conduct stringent identity verification procedures, including checks on official identity cards or equivalent documentation, to ensure candidates meet statutory age requirements. Employment is based on mutual consent, with contracts signed by both parties to clearly define rights, responsibilities, and working conditions. We expressly prohibit exploitative practices such as withholding of wages, deposits, or documents, and any form of coercion that may compel individuals to work against their free will.

For the Year, the Group was not aware of any cases on non-compliance with laws and regulations that have a significant impact on the Group in relation to preventing child and forced labour.

Supply Chain Management

The Group recognises that an effective and responsible supply chain is fundamental to ensuring quality, efficiency, and sustainability in our operations. We work closely with our suppliers and subcontractors to enhance operational procedures, improve service quality, and embed responsible sourcing practices throughout the supply chain.

The Group has established a rigorous supplier selection, evaluation, and monitoring framework. Supplier assessments take into account multiple dimensions, including:

- Quality and reliability of goods and services delivered;
- Timeliness in meeting contractual obligations;
- Responsiveness and cooperation in addressing project requirements; and
- Compliance with applicable laws, regulations, and ESG standards.

The Group maintains and regularly updates an approved supplier list to ensure only qualified partners are engaged. Suppliers that fail to meet the required performance benchmarks or compliance expectations are subject to remediation requests, and in cases of persistent underperformance, are removed from the list.

All materials delivered are subject to stringent inspection by designated site staff prior to acceptance. Any defective or substandard items are promptly rejected and replaced to safeguard quality and safety. In line with our sustainability objectives, the Group actively seeks to minimise its carbon footprint by prioritising the use of local and regional suppliers where feasible. This approach not only reduces transportation-related emissions but also supports local economic development.

To strengthen long-term resilience, the Group is also incorporating ESG considerations into supplier management practices, such as compliance with labour standards, occupational health and safety requirements, and environmental protection measures. Going forward, we aim to progressively enhance supplier engagement by promoting sustainable practices, encouraging transparency, and exploring opportunities for joint improvement initiatives.

For the year, the number of suppliers by geographical region of the Group was as follows:

Number of Suppliers by Geographical Region	2025/2026	2024/2025
Asia (excluding Hong Kong, Singapore, Malaysia, and the PRC)	6	4
Australia	–	1
Europe	10	8
Hong Kong	14	15
North America	14	13
Singapore and Malaysia	193	126
The PRC	95	102
Total	**332**	**269**

The increase in the number of suppliers during the Year mainly reflected the expansion of the Group's business in Singapore and Malaysia, which increased the number of suppliers engaged to support operations in these markets.

The Group is committed to continuous innovation and enhancement of its products and services, drawing on customer feedback and evolving industry trends. For our E-commerce business division, designated departmental contact details are clearly displayed on online platforms to facilitate customer inquiries, feedback, and complaints. The responsible team responds promptly and provides tailored solutions within defined timeframes. Where goods returns or compensation are required, such cases are handled in strict accordance with the Group's established internal procedures. We also place strong emphasis on transparency in communication by ensuring that all marketing materials contain accurate and reliable information, while strictly prohibiting the use of any false, misleading, or exaggerated claims.

In our sound and communication services business, product safety and service quality remain top priorities. Our project management team carries out regular on-site safety supervision and inspection exercises to monitor the quality of services delivered. Any safety issues or performance gaps identified are addressed and rectified within specified timeframes to ensure compliance with both internal and external standards.

The Group's commitment to delivering safe, reliable, and high-quality products and services is further supported by our robust Quality Management System (QMS), which is certified to the internationally recognised ISO 9001:2015 standard by SGS International Certification Services Singapore Pte Ltd. Through the QMS, we demonstrate our ability to consistently meet customer expectations while reinforcing a culture of continual improvement and accountability.

Product Recall

As a distributor, the Group is committed to working closely with product manufacturers to address any identified product defects. In the event of a recall, we play a critical role in coordinating effective communication with consumers, e-commerce platforms, and other relevant stakeholders. Together with product producers, we ensure that accurate and timely information is disseminated through multiple channels, including company websites, customer service hotlines, and social media platforms. Our foremost priority in such situations is to safeguard consumer health and safety by swiftly and efficiently removing affected products from the market.

During the Year, there were no product recalls relating to safety or health issues in our E-Commerce business. Furthermore, we did not receive any complaints or claims from customers regarding the quality of work performed by the Group or its subcontractors. The Board attributes this positive outcome to the effectiveness of the Group's stringent quality control measures and monitoring practices.

Protection of Intellectual Property Rights and Data Privacy

The Group is committed to safeguarding intellectual property ("**IP**") rights and ensuring the confidentiality of personal and business data collected from customers, business partners, and employees. We strictly adhere to all applicable laws and regulations across the jurisdictions in which we operate, including but not limited to:

- Singapore: Personal Data Protection Act 2012, Copyright Act 2021, Patents Act 1994, and Trade Marks Act 1998;
- Malaysia: Personal Data Protection Act 2010, Copyright Act 1987, Patents Act 1983, Trade Marks Act 2019;
- Hong Kong: Personal Data (Privacy) Ordinance (Cap. 486), Copyright Ordinance (Cap. 528), and Trade Marks Ordinance (Cap. 559); and
- The PRC: Personal Information Protection Law, Copyright Law, Patent Law, and Trademark Law.

All employees are required to sign employment contracts that explicitly prohibit unauthorised disclosure of confidential or proprietary information. The Group reinforces this commitment through internal training programmes and confidentiality agreements, ensuring employees understand their responsibilities regarding data protection and IP rights.

The Group regularly reviews operational contracts to safeguard IP rights and requires suppliers and subcontractors to comply with relevant IP and data privacy laws. Marketing and advertising activities are conducted in a fair and transparent manner, with all customer-facing communications reflecting accurate and truthful information. Dedicated customer service channels, including hotlines and email support, are maintained to address inquiries, complaints, and any redress matters.

For the Year, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

ANTI-CORRUPTION

The Group is committed to maintaining a culture of honesty and opposition to fraud and corruption, with zero tolerance towards any kinds of bribery and money laundering activities.

The Group recognises the paramount importance of business ethics and integrity and is committed to being a trusted partner to our customers, suppliers, and other stakeholders. We strictly comply with all relevant anti-corruption and competition laws and regulations across the jurisdictions in which we operate, including but not limited to:

- Singapore: Prevention of Corruption Act 1960 and Competition Act 2004;
- Malaysia: Anti-Corruption Commission Act 2009;
- Hong Kong: Prevention of Bribery Ordinance (Cap. 201), Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), and Competition Ordinance (Cap. 619); and
- The PRC: Anti-Money Laundering Law, Criminal Law, and Anti-Unfair Competition Law.

The Group has implemented comprehensive anti-corruption and conflict-of-interest policies that explicitly prohibit all forms of bribery, extortion, fraud, improper inducements, kickbacks, or other unethical advantages in business dealings. These policies are communicated to all employees during induction training and are readily accessible in the Staff Handbook.

The Group has established a Code of Ethics outlining expected behaviours regarding anti-corruption, anti-bribery, conflicts of interest, gift-giving, and procurement practices. Regular training sessions are conducted for both management and employees to strengthen ethical awareness and promote best practices across all business operations.

The Group also maintains a whistle-blowing policy providing a secure and confidential channel for reporting actual or suspected misconduct, including financial irregularities, internal control breaches, or unethical conduct. Reports can be submitted via the designated email, whistleblowing@ispg.hk, and the policy protects individuals from retaliation. All reports are investigated confidentially to safeguard anonymity. The whistleblowing mechanism covers matters including, but not limited to, violations of laws and regulations, fraud, accounting and financial reporting concerns, misuse of the Group's assets, breaches of internal policies and improper disclosure of confidential information.

The Board has overall responsibility for the whistleblowing policy, while the Audit Committee is responsible for monitoring and reviewing the effectiveness of the policy and actions arising from investigations. The Group maintains confidentiality of reports received and protects whistleblowers against unfair dismissal, victimisation or unwarranted disciplinary actions when reports are made in good faith.

For the Year, the Group was not aware of any cases of non-compliance with laws and regulations that have a significant impact on the Group in relation to bribery, extortion, fraud, and money laundering.

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COMMUNITY INVESTMENT

The Group is committed to fostering meaningful and lasting relationships with the communities in which we operate. We actively engage with local stakeholders to understand community needs and provide targeted support through initiatives that promote social well-being, inclusivity, and education.

During the Year, the Group continued to participate in community programs, volunteer activities, and skills-sharing initiatives, helping to strengthen local social infrastructure and support underrepresented groups. By encouraging employee involvement in these initiatives, we cultivate a culture of social responsibility within the organisation and contribute to the sustainable development of the communities we serve.

The Group recognises that building strong community ties not only supports social development but also reinforces our commitment to ethical business practices, shared value creation, and long-term positive impact on society.

PERFORMANCE SUMMARY

Air Pollutant Emissions	**Unit(s)**	**2025/2026**	**2024/2025**
NO_x	kg	3.83	5.35
SO_x	kg	0.08	0.11
PM	kg	0.28	0.39
Total air pollutant emissions	kg	4.19	5.85
Intensity	kg per million of annual revenue	0.043	0.025

GHG Emission Types	**Unit(s)**	**2025/2026**	**2024/2025**
Direct emissions or removals from source (Scope 1)			
GHG emissions from mobile combustion sources			
Carbon Dioxide (CO_2)	tonne	11.73	16.89
Methane (CH_4)	tonne	0.02	0.06
Nitrous Oxide (N_2O)	tonne	0.02	2.10
Energy indirect emissions (Scope 2) – CO_2 equivalent			
Electricity purchased from power companies	tonne	61.27	87.50
Other indirect emissions (Scope 3) – CO_2 equivalent			
Category 1: Purchased goods and services	tonne	1.86	0.80
Category 5: Waste generated in operations	tonne	1.28	4.56
Category 6: Business travel	tonne	35.03	21.43
Total GHG emissions (Scope 1, 2 and 3)	tonne	111.21	133.34
Intensity	tonnes/per million of annual revenue	1.14	0.58

Waste	Unit(s)	2025/2026	2024/2025
Total non-hazardous waste	kg	852.72	949.67
Intensity	kg/employee	6.27	6.55

Energy Consumption	Unit (s)	2025/2026	2024/2025
Direct energy consumption	MWh	49.65	69.36
Intensity	MWh/million of annual revenue	0.51	0.30
Indirect energy consumption	MWh	124.2	159.65
Intensity	MWh/million of annual revenue	1.28	0.69

Water Consumption	Unit (s)	2025/2026	2024/2025
Consumption for the Year	m^3	1.357.90	1,438.50
Intensity	m^3/million of annual revenue	13.97	6.21

Employee Composition	As at 30 June 2026 Number of people	As at 30 June 2025 Number of people
By Gender		
Male	108	97
Female	28	48
By Age Group		
18-30 years old	23	38
31-40 years old	62	61
41-50 years old	28	26
51-60years old	21	18
Over 61 years old	2	2
By Employment Category		
Senior Management	18	22
Middle Management	12	24
General Staff	106	99
By Geographical Region		
Singapore	70	55
Malaysia	14	5
Hong Kong	11	12
The PRC	41	73

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Employee Composition	Employee Turnover 2025/2026 Number of people	Turnover rate	Employee Turnover 2024/2025 Number of people	Turnover rate
By Gender				
Male	23	21%	9	9%
Female	8	29%	–	0%
By Age Group				
18-30 years old	13	57%	3	8%
31-40 years old	12	19%	3	5%
41-50 years old	4	14%	3	12%
51-60years old	2	10%	–	0%
Over 61 years old	–	0%	–	0%
By Geographical Region				
Singapore	2	3%	2	4%
Malaysia	1	7%	2	40%
Hong Kong	1	9%	2	17%
The PRC	27	66%	3	4%

Work Injury Statistics	Unit(s)	2025/2026	2024/2025	2023/2024
Number of work-related fatalities	Case(s)	–	–	–
Rate of work-related fatalities	Percentage	0%	0%	0%
Number of reported accidents (Sick leave > 3 days)	Case(s)	–	–	–
Lost day due to injury	Day(s)	–	–	–

Percentage of Employees Receiving Training	2025/2026	2024/2025
By Gender		
Male	77%	80%
Female	23%	20%
By Employment Category		
Senior Management	5%	16%
Middle Management	16%	0%
General Staff	79%	84%

Average Training Hours	2025/2026	2024/2025
By Gender		
Male	5.56	2.36
Female	3.29	1.58
By Employment Category		
Senior Management	1.33	2.23
Middle Management	15.00	–
General Staff	4.6	2.59

Number of Suppliers by Geographical Region	2025/2026	2024/2025
Asia (excluding Hong Kong, Singapore, Malaysia, and the PRC)	6	4
Australia	–	1
Europe	10	8
Hong Kong	14	15
North America	14	13
Singapore and Malaysia	193	126
The PRC	95	102
Total	**332**	**269**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

This report is prepared in accordance with the "Environmental, Social and Governance Reporting Code" under Appendix C2 of the GEM Listing Rules. The following table provides an overview of the general disclosures and KPIs of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Report or supplement the Report with additional information.

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
SUBJECT AREA A. ENVIRONMENTAL		
Aspect A1: EMISSION		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Aspects
KPI A1.1	The types of emissions and respective emissions data.	Emissions Control
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A; During the Year, we did not generate hazardous waste in our operations.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	During the Year, we only generated minimal non-hazardous waste in our operations.
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions Controls
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
Aspect A2: USE OF RESOURCES		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	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).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set, and steps taken to achieve them.	N/A; During the Year, we encountered no issue in sourcing water that is fit for our purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A; During the Year, we did not generate significant packaging material waste in our operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
Aspect A3: THE ENVIRONMENT AND NATURAL RESOURCES		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	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.	The Environment and Natural Resources
Aspect A4: CLIMATE CHANGE		
General Disclosure	Policies on identification and mitigation of significant climate-related issues that have impacted, and those that may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues that have impacted, and those that may impact, the issuer, and the actions taken to manage them.	Climate Change
SUBJECT AREA B. SOCIAL		
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
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Practices – Employee Composition
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practices – Employee Turnover

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
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.	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.	Health and Safety; During the Year, we did not note any work-related fatalities due to work injury found.
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: DEVELOPMENT AND TRAINING		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
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; Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: SUPPLY CHAIN MANAGEMENT		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	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.	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.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
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.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights and Data Privacy
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Product Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Protection of Intellectual Property Rights and Data Privacy

Subject Areas, Aspects, General Disclosures and KPIs (Note 1)	Description	Statement/Section
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.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training offered to directors and staff.	Anti-corruption
Aspect B8: COMMUNITY INVESTMENT		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities cover the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Note 1: All general disclosures and KPIs under "Subject Area A. Environmental" and "Subject Area B. Social" follow "Comply or Explain" provisions, which are set out in the ESG Code.

CORPORATE GOVERNANCE REPORT

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present hereby the corporate governance report ("**CG Report**") of the Company for the year ended 30 June 2026.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining good corporate governance to improve accountability and transparency, and to safeguard the interest of shareholders.

The Company has adopted the Code on Corporate Governance Practices (the "**CG Code**") contained in Appendix C1 of the GEM Listing Rules during the Year and up to the date of this report (the "**Relevant Period**"). Having made specific enquires of the Directors, all the Directors have confirmed that they have complied with the required CG Code's standard for the Relevant Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions by Directors in respect of the shares of the Company (the "**Code of Conduct**"). After specific enquires by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Relevant Period.

The Board has also adopted the Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision C.1.3 of the CG Code. No incident of non-compliance with the Code by the Company's relevant employees was noted during the year ended 30 June 2026 after making reasonable enquiries.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising its affairs. Directors take decisions objectively in the best interests of the Company. The Board meets regularly and regular board meetings are held four times a year at quarterly intervals.

BOARD COMPOSITION

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is an independent element on the Board, which can effectively exercise independent judgement, and that non-executive Directors should be of sufficient calibre and number for their views to carry weight.

CORPORATE GOVERNANCE REPORT

As at the date of this report, the Board comprises the following eight Directors:

Executive Directors ("ED")

Mr. Cao Chunmeng (Chairman)
Mr. Han Bing (Chief Executive Officer)
Mr. Yuan Shuangshun (Resigned on 31 March 2026)
Mr. Mong Kean Yeow
Ms. Choon Shew Lang

Non-executive Director ("NED")

Mr. Qiu Yingming

Independent Non-executive Directors ("INED")

Mr. Yan Xiaotian
Mr. Tang Chi Wai
Mr. Zheng Xiaorong

CORPORATE GOVERNANCE REPORT

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the regular Board meetings, Board committee meetings and the general meeting of the Company held during the Year is set out in the table below:

	Number of meetings held during the Year Attended/number of meetings held during the respective Director's tenure				
	Regular Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting of the Company ("AGM") held on 22 December 2025
Number of meetings held	5	4	1	1	1
Executive Directors					
Mr. Cao Chunmeng (Chairman)	5/5	N/A	1/1	N/A	1/1
Mr. Han Bing (Chief Executive Officer)	5/5	N/A	N/A	1/1	1/1
Ms. Choon Shew Lang	5/5	N/A	1/1	N/A	1/1
Mr. Mong Kean Yeow	5/5	N/A	N/A	N/A	1/1
Mr. Yuan Shuangshun (Resigned on 31 March 2026)	4/5	N/A	N/A	N/A	1/1
Non-executive Director					
Mr. Qiu Yingming	5/5	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr. Tang Chi Wai	5/5	4/4	1/1	1/1	1/1
Mr. Yan Xiaotian	5/5	4/4	1/1	1/1	1/1
Mr. Zheng Xiaorong	5/5	4/4	1/1	N/A	1/1

The biographical details of each of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this report.

In compliance with Rule 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules, the Company has appointed three INEDs representing at least one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The INEDs have brought in a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs have made various contributions to the Company.

CORPORATE GOVERNANCE REPORT

The Company has received from each INED an annual confirmation of his independence, and the Company considers such INED to be independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

Appropriate insurance coverage in respect of legal action against the Directors has also been arranged by the Company.

APPOINTMENTS, RE-ELECTION AND REMOVAL

In accordance with the second amended and restated articles of association ("**Articles of Association**"), all the Directors are subject to retirement by rotation at least once every three years. Any new Director appointed by the Board (i) to fill a casual vacancy in the Board shall hold office only until the first general meeting of the Company following his/her appointment and shall be subject to re-election at such meeting; and (ii) as an addition to the Board shall hold office until the next following AGM and shall then be eligible for re-election.

ROLE AND RESPONSIBILITIES

The Board is responsible for the overall management of the Group and all day-to-day operations and management of the Group's business has been delegated to management under the leadership of the chief executive officer of the Group.

The principal roles of the Board are:

- Set long term objectives and strategies;
- Approve major policies and guidelines;
- Prepare and approve financial statements, annual report, interim report, and quarterly report;
- Approve major capital expenditures, acquisition and disposals;
- Approve connected transactions;
- Approve material borrowings and expenditures;
- Review and monitor internal control and risk management;
- Declare and recommend the payment of dividends; and
- Review and approve major acquisition and disposal of subsidiaries and associates.

CORPORATE GOVERNANCE FUNCTIONS

The Board is also responsible for the corporate governance functions of the Group, which includes:

- Develop and review of the Group's policies and practices on corporate governance;
- Review and monitor the training and continuous professional development of directors and senior management;
- Review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- Develop, review and monitor the code of conduct and compliance manual applicable to employees and directors; and
- Review the Group's compliance with the CG Code and disclosure in the corporate governance report.

During the Relevant Period, the Board had reviewed and discussed the corporate governance policy of the Group and was satisfied with the effectiveness of the corporate governance policy of the Group.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles and duties of the chairman of the Board and the chief executive of the Company are carried out by different individuals to achieve a balance of authority and power, which is in compliance with Code Provision C.2.1 of the CG Code.

Currently, Mr. Cao takes up the role of chairman of the Board and Mr. Han Bing takes up the role of chief executive officer of the Company. The Board considers that this structure could enhance efficiency in formulation and implementation of the Company's strategies.

BOARD COMMITTEES

To facilitate the work of the Board, the Board has established three board committees of the Company to oversee specific aspects of the Group's affairs, namely audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**"). Each board committee has its own terms of reference relating to its authority and duties, which have been approved by the Board and are reviewed periodically. The terms of reference of each committee are available on the websites of the Company and the Stock Exchange.

Each board committee has also been provided with sufficient resources to discharge its duties and, upon reasonable request, is able to seek independent profession advice in appropriate circumstances at the Group's expense.

Audit Committee

The Group established the Audit Committee on 14 December 2017 with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph D.3.3 of the CG Code. The primary duties of our Audit Committee include, among others, (a) making recommendations to our Board on the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor; (b) reviewing our financial statements, our annual report and accounts, our half-year report, and quarterly report and significant financial reporting judgements contained therein; and (c) reviewing our financial controls, internal control and risk management systems. Our Audit Committee comprises three INEDs, namely Mr. Zheng Xiaorong, Mr. Yan Xiaotian and Mr. Tang Chi Wai. Mr. Tang Chi Wai is the chairman of our Audit Committee.

During the Year, the Audit Committee held four meetings, at which it has reviewed and discussed (i) the Group's consolidated financial results for the Year, including the accounting principles and practice adopted by the Group, (ii) the Company's compliance with the CG Code and disclosure in this Corporate Governance Report, (iii) the effectiveness of the Group's risk management and internal control systems as well as the Group's internal audit function, (iv) considered, adopted and/or recommended to the Board the amendments to the terms of reference of the Audit Committee and (v) met with the external auditor, Moore CPA Limited ("**Moore**") and approved the audit strategy. The Audit Committee has also recommended to the Board to consider the re-appointment of Moore as the Company's external independent auditors at the forthcoming AGM.

Nomination Committee

The Group established the Nomination Committee on 14 December 2017 with written terms of reference in compliance with paragraph B.3.1 of the CG Code. The primary duties of our Nomination Committee include, among others, (a) reviewing the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and making recommendations on any proposed changes to our Board to complement our corporate strategy; (b) identifying individuals suitably qualified to become members of our Board and selecting or making recommendations to our Board on the selection of individuals nominated for directorships; (c) assessing the independence of our INEDs; and (d) making recommendations to our Board on the appointment and succession planning for our Directors. Having reviewed the composition of the Board, the Nomination Committee considered that there is an appropriate balance of board diversity. As at the date of this annual report, the Board has one female Director out of eight Directors. The Board will maintain at least the current level of female representation on the Board, and in any event not less than the requirements under the GEM Listing Rules. Our Nomination Committee comprises three INEDs, namely Mr. Zheng Xiaorong, Mr. Yan Xiaotian and Mr. Tang Chi Wai, two executive Directors, namely Mr. Cao Chunmeng and Ms. Choon Shew Lang. Mr. Cao is the chairman of our Nomination Committee.

During the Year, the Nomination Committee held one meeting, at which it (i) assessed the independence of the INEDs, (ii) recommended to the Board for consideration the re-appointment of all the retiring Directors at the forthcoming AGM, (iii) considered and approved of the appointment and retirement of Directors, and (iv) considered, adopted and/or recommended to the Board the amendments to the policy of Board diversity, nomination policy and terms of reference of the Nomination Committee.

Remuneration Committee

The Group established the Remuneration Committee on 14 December 2017 with written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and paragraph E.1.2 of the CG Code. The primary duties of our Remuneration Committee, under the principle that no Director or any of his associates should be involved in deciding his own remuneration include, among others, making recommendations to our Board on (a) our remuneration policy and structure for all of our Directors and senior management; (b) the establishment of a formal and transparent procedure for developing remuneration policies; (c) the remuneration packages of our executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their offices or appointments; (d) the remuneration of our non-executive Directors; and (e) the review and/or approval of matters relating to share schemes under Chapter 23 of the GEM Listing Rules. Our Remuneration Committee comprises two INEDs, namely Mr. Yan Xiaotian and Mr. Tang Chi Wai and one executive Director namely Mr. Han Bing. Mr. Yan Xiaotian is the chairman of our Remuneration Committee.

During the Year, the Remuneration Committee held one meeting, at which it (i) reviewed the remuneration policy and structure for as well as the remuneration packages of all Directors and the senior management, (ii) considered and approved of remuneration package of executive Directors, and (iii) to consider, approve and make recommendation to the Board in relation to the grant of share awards to employees of the Group under the Share Award Scheme. No Director was involved in deciding his/her own remuneration.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

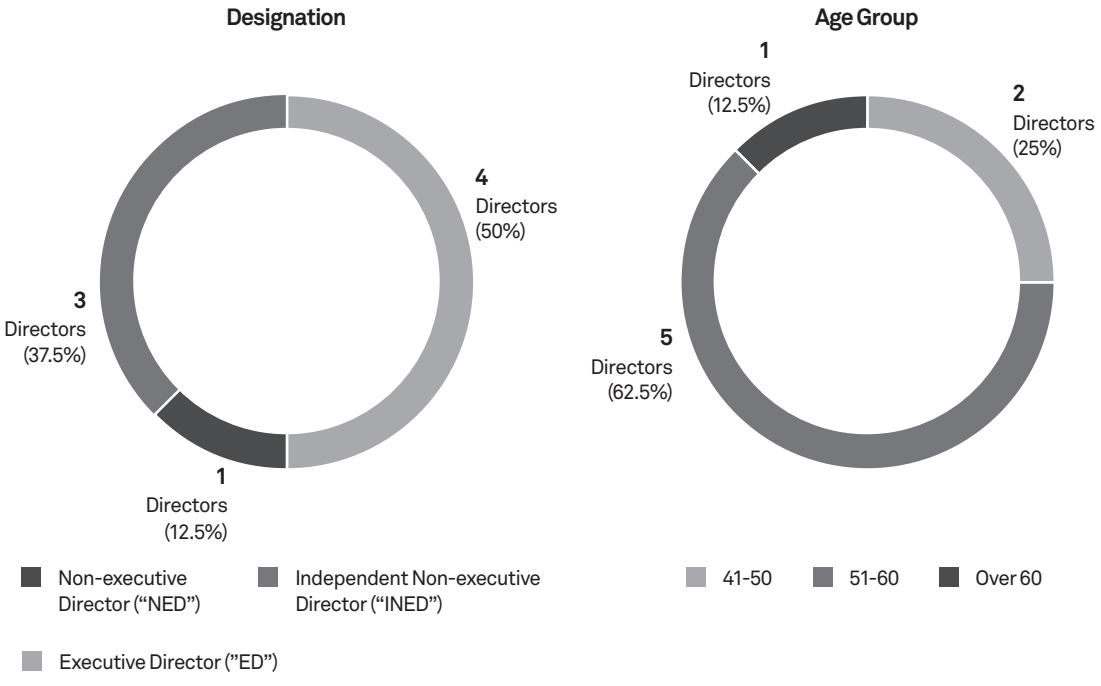
During the Relevant Period, the Board has adopted a policy of the Board diversity (the "**Board Diversity Policy**") which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

In designing the Board's composition, the Company considers diversity of board members through a number of aspects, including but not limited to gender, age, cultural and educational background, industry experience, technical and professional experience, skills and/or qualifications, knowledge, length of service and time to be devoted as a director. The Company will also take into account factors relating to its own business model and specific needs from time to time. The ultimate decision is based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this report, the Board consists of one female Director and seven male Directors. The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the objectives of its Board Diversity Policy for the Relevant Period.

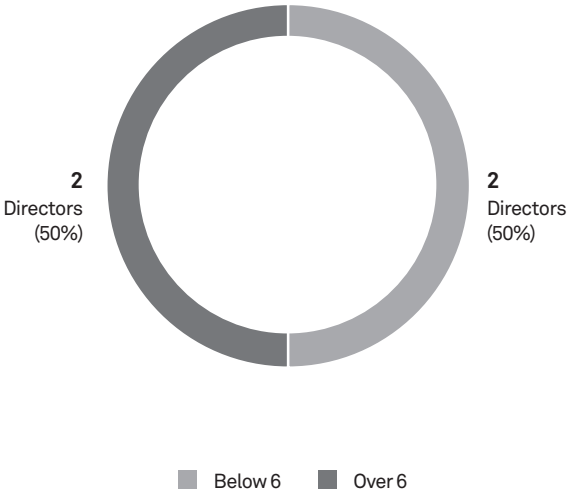
The Group has also taken, and continues to take, steps to promote diversity at all levels of its workforce. As at 30 June 2026, the male to female ratio in the Board of the Group is approximately 88:12. The Board considers that the gender diversity is currently achieved.

The charts below demonstrate the details of the mix of skills that the Board currently has:

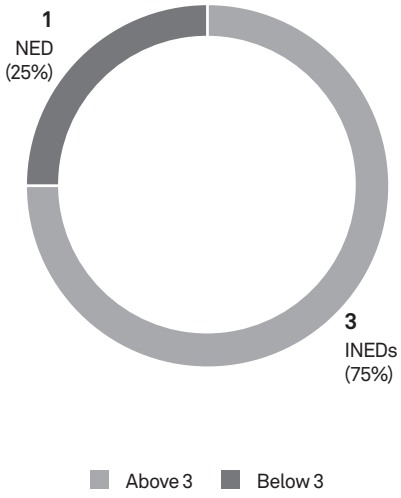


CORPORATE GOVERNANCE REPORT

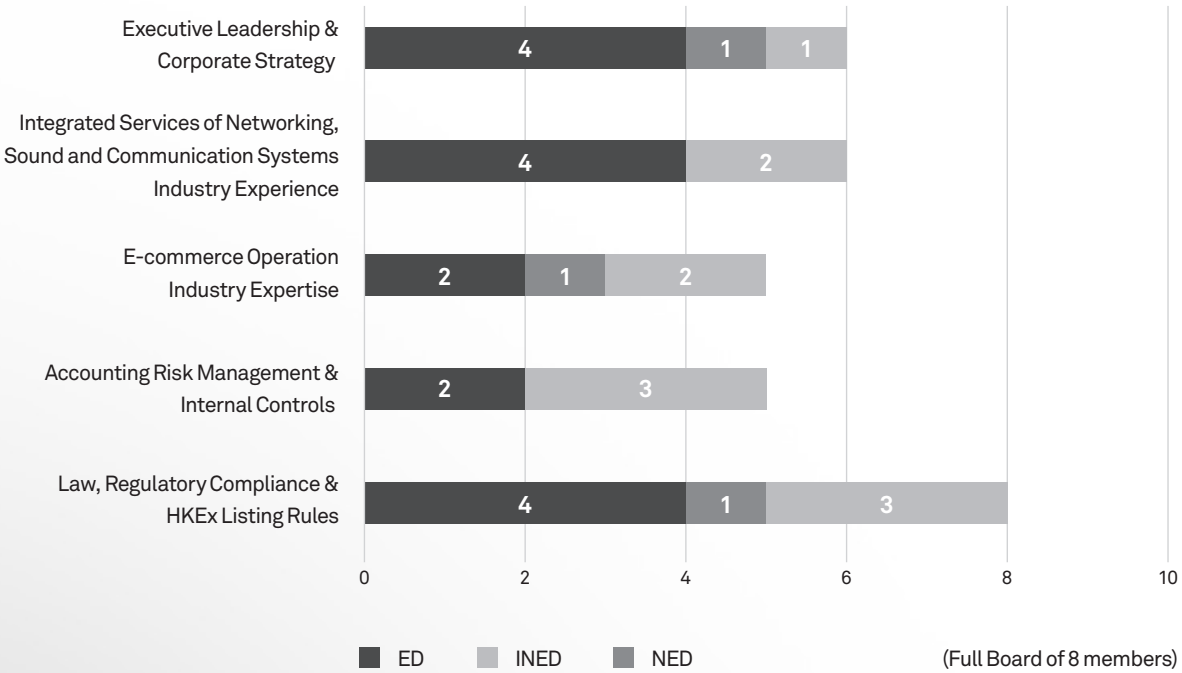
Length of Service - ED (No. of years)



Length of Service - NED and INED (No. of years)



Board Expertise & Skills



(Full Board of 8 members)

The chart above sets out the skills and expertise of the Board that align with the Group's purpose, values, strategy and culture, and enable the Board to discharge its responsibilities and duties effectively in terms of:

- driving innovation through diverse industry and market expertise, enabling the Board to identify opportunities and support sustainable growth;

- providing foresight through strong executive leadership and market experience, supporting the Board to guide the Group's long-term strategic development;

- upholding integrity through robust governance and independent oversight, promoting accountability and transparency;

- exercising prudence through extensive experience in finance and risk management, supporting sound financial reporting, effective risk management oversight and compliance with the Company's obligations as a company listed on the Stock Exchange, having regard to the Group's business; and

- Drawing on diverse backgrounds and promoting mutual respect to enhance the corporate culture throughout the Group, supporting its long-term development.

WORKFORCE DIVERSITY POLICY

The Company values the diversity of its employees and is committed to establishing a diverse and inclusive workforce, ensuring that all employees enjoy equal opportunities for development. The Company has adopted a Workforce Diversity Policy that outlines its approach and commitment to diversity and inclusion in the workforce (including senior management) which supports the Group to build an equal, inclusive and supportive workplace, in which all forms of discrimination, harassment and intimidation or violence, whether based on race, color, gender, disability, or other factors, are prohibited.

As at 30 June 2026, the Group had 136 employees, of which about 20.6% were female. As such, the Company considers that it has achieved gender diversity in its workforce by achieving our target of over 20.0% female representation across its total workforce, including senior management. In addition, as at 30 June 2026, the gender ratio of senior management was 22.2% female and 77.8% male, while the gender ratio of the workforce (excluding senior management) was 20.3% female and 79.7% male. The Company is satisfied that the current gender mix of its workforce is appropriate having regard to the Group's operational requirements and business nature, and will continue to monitor and promote diversity across the workforce.

CORPORATE GOVERNANCE REPORT

DIRECTORS' TIME COMMITMENT AND CONTRIBUTION TO THE BOARD

The Nomination Committee annually assesses whether each Director has devoted adequate time and attention to their duties and contributed effectively to the Board's overall work. To facilitate this, Directors must inform the Company of their time commitments within the Group, as well as details and time requirements for external appointments and directorships in other listed public companies. The Nomination Committee also takes into account their participation and attendance records at Board, committee, and general meetings.

Each Director is required to update and confirm his/her educational background, professional qualifications, major appointments, work experience and skill he/she possess that contribute to the Board's effectiveness.

In addition, the Nomination Committee reviews the continuous professional development undertaken by each Director during the year, including the number of training hours, topics covered (as required under the Listing Rules) and modes of training taken, in order to assess whether each Director has devoted efforts to stay abreast of the latest developments in, inter alia, board functions, directors' duties, laws and regulations, corporate governance, ESG and industry and business matters relevant to the Group.

Having reviewed the above information for the year ended 30 June 2026, the Nomination Committee was satisfied that each Director had devoted sufficient time and effort to the Group's affairs, discharged his/her duties and responsibilities and had made an effective contribution to the Board during the Year.

BOARD EVALUATION

The Company considers regular evaluation of the Board to be an essential element of good corporate governance and an important means of assessing the performance and overall effectiveness of the Board. The Company has established an evaluation mechanism under which a formal Board evaluation is conducted annually.

During the Year, the Company conducted an internal evaluation of the performance and effectiveness of the Board, the Board Committees and the contribution and engagement of individual Directors. No external provider was engaged in conducting the evaluation.

The evaluation was conducted using a questionnaire completed individually by each Director. Featuring both structured and open-ended questions, it covered key areas such as Board and committee composition, Board processes and effectiveness, governance, risk management, internal controls, strategic engagement, and individual Director contributions and responsibilities. All Directors participated in the evaluation. The overall results were positive and indicated that the Board and the Board Committees continued to operate effectively and that the Directors had effectively discharged their respective roles and responsibilities.

No significant areas requiring remedial action were identified, and the observations were deemed non-material. Nevertheless, the Company remains committed to upholding high corporate governance standards. To maintain Board effectiveness, it will continue to refine its approach to Board refreshment and succession planning, ensure Directors can readily add items to meeting agendas, and deepen Board oversight of strategic initiatives and major transactions, including mergers and acquisitions.

NOMINATION POLICY

The Company has adopted nomination policy (the "**Nomination Policy**") for the purpose to identify and evaluate a candidate for nomination to the Board for appointment or to the shareholders for election as a Director. The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- Reputation for integrity;
- Accomplishment, experience and reputation in the relevant industry and other relevant sectors;
- Commitment in respect of sufficient time, interest and attention to the Company's business;
- Diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge;
- The ability to assist and support management and make significant contributions to the Company's success;
- Compliance with the criteria of independence as prescribed under Rule 5.09 of the GEM Listing Rules for the appointment of an independent non-executive Director; and
- Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Each proposed new appointment, election or re-election of a director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the shareholders for consideration and determination.

CORPORATE GOVERNANCE REPORT

DIVIDEND POLICY

The Company has adopted dividend policy (the "**Dividend Policy**") in compliance with code provision M of the CG Code. It is the policy of the Company, in considering the payments of dividends and to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for future growth of the Group.

Under the Dividend Policy, in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, inter alia:

- the general financial condition of the Group;
- capital and debt level of the Group;
- future cash requirements and availability for business operations, business strategies and future development needs;
- any restrictions on payment of dividends that may be imposed by the Group's lenders;
- the general market conditions; and
- any other factors that the Board deems appropriate.

The payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the Articles of Association. The Policy will be reviewed by the Board from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the INEDs has entered into a letter of appointment with the Company for an initial term of one year and such letter of appointment may be terminated by either party giving at least one month's notice in writing. Also, the INEDs are subject to re-election on retirement by rotation at the AGM in accordance with the Articles of Association.

The Nomination Committee shall strictly adhere to the nomination policy and the independence assessment criteria as set out in the GEM Listing Rules with regard to the nomination and appointment of independent non-executive Directors.

Each independent non-executive Director is also required to inform the Company as soon as practicable if there is any change in his own personal particulars that may materially affect his independence.

The Nomination Committee is mandated to assess annually the independence of all independent non-executive Directors by reference to the independence criteria as set out in the GEM Listing Rules to ensure that they can continually exercise independent judgement.

The Board endeavours to ensure the appointment of at least three independent non-executive Directors and at least one-third of the Board members being independent non-executive Directors (or such higher threshold as may be required by the GEM Listing Rules from time to time).

The Company has received written annual confirmation from each INEDs of their independence pursuant to the requirements of the Rule 5.09 of the GEM Listing Rules. The Company considers all INEDs namely Mr. Zheng Xiaorong, Mr. Yan Xiaotian, and Mr. Tang Chi Wai to be independent in accordance with the independence guidelines set out in the GEM Listing Rules for the Year.

BOARD SKILLS MATRIX

The following skills matrix outlines the Board's core expertise relative to the Company's strategy, governance, and business. This alignment ensures the Board can effectively fulfill its duties, achieve strategic goals, and foster sustainable, balanced growth for the Group.

Directors' Skills and Experience	Designation	Executive Leadership & Corporate Strategy	Integrated Services of Networking, Sound and Communication Systems Industry Experience	E-commerce Operation Industry Experience	Accounting, Risk Management & Internal Controls	Law, Regulatory Compliance & HKEX Listing Rules
Mr. Cao Chunmeng	ED	Y	Y	Y		Y
Mr. Han Bing	ED	Y	Y	Y		Y
Mr. Mong Kean Yeow	ED	Y	Y		Y	Y
Ms. Choon Shew Lang	ED	Y	Y		Y	Y
Mr. Qui Yingming	NED	Y		Y		Y
Mr. Zheng Xiaorong	INED		Y	Y	Y	Y
Mr. Yan Xiaotian	INED		Y	Y	Y	Y
Mr. Tang Chi Wai	INED	Y			Y	Y

CORPORATE GOVERNANCE REPORT

Definition of Competency Categories

Executive Leadership & Corporate Strategy	The capacity to provide long-term strategic direction, assess business growth opportunities, and supervise senior executives to maximize sustainable shareholder value.
Integrated Services of Networking, Sound and Communication Systems	Expertise in sale and provision of integrated services of networking, sound and communication systems.
E-commerce operation Experience	Expertise in e-commerce operation including management of e-commerce platforms.
Accounting, Risk Management & Internal Controls	Strong understanding or professional proficiency in financial accounting standards, rigorous internal controls, tax optimization, and external audit procedures. This capability ensures precise oversight of corporate financial report integrity, prevents internal fraud, manages budgetary boundaries, and ensures the absolute stability of the group's cash flow.
Law, Regulatory Compliance & HKEX Listing Rules	Strong understanding or professional qualifications in Hong Kong company laws, the SFO, and HKEX Listing Rules compliance. Expertise ensures the Board is properly guided on corporate governance standards, statutory disclosures, and connected transaction regulations.

CORPORATE GOVERNANCE REPORT

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, and allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The Company also has in place mechanisms to ensure independent views and input are available to the Board. The Audit Committee and the Remuneration Committee are all chaired by Independent Non-Executive Directors, and while the majority of the members of the Nomination Committee are Independent Non-Executive Directors, the members of the Audit Committee only comprise Independent Non-Executive Directors. The Independent Non-Executive Directors meet the Chairman annually without the presence of the other Directors. No equity-based remuneration with performance-related elements is granted to the Independent Non-Executive Directors.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

During the Year, the Board had conducted the annual review on the implementation and effectiveness of the Board Independence Evaluation Mechanism.

CORPORATE GOVERNANCE REPORT

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed Director receives a formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure that he/she has a proper understanding of the Company's operations and business and is fully aware of the director's responsibilities under the statues and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Company will from time to time provide briefings to all Directors to develop and refresh their knowledge and skills relating to their duties and responsibilities.

Pursuant to the Code Provision C.1.1 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. According to the training records maintained by the Company, all Directors have participated in continuous professional development relevant to his or her professional duties as Director during the Year.

At the Board meeting held on 30 September 2026, the Board 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 Rules 5.48 to 5.67 of the GEM Listing Rules and the Company's compliance with the CG Code and disclosure in this CG Report.

Training and Continuous Professional Development ("CPD") help Directors keep abreast of current trends and developments relevant to the Group, including commercial, industry-specific and innovative changes, as well as legal and regulatory matters and refresh their knowledge and skills on the roles, functions and duties of a listed company director. From time to time, Directors also participate as speakers at events to share knowledge and insights on different topics. Directors may undertake CPD on their own initiative or by participating in training arranged or facilitated by the Company. During the year, the Company arranged and facilitated various CPD training sessions, and Directors actively participated in internal and external trainings.

All Directors are required to provide the Company with details of CPD training undertaken by them from time to time. The training records are maintained by the Company Secretary and are made available for regular review by the Audit Committee.

The CPD training covers the following topics:

T1 Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness.

T2 The Company's obligations and directors' duties under Hong Kong law and the GEM Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations.

T3 Corporate governance and Environmental, Social and Governance ("ESG") matters (including developments on sustainability or climate-related risks and opportunities relevant to the Company and its business).

T4 Risk management and internal controls.

T5 Updates on industry-specific developments, business trends and strategies relevant to the Company.

CPD undertaken by Directors comprises three modes: (i) external training (training courses, seminars, e-learning workshops and conferences provided by external professional parties and industry participants); (ii) internal training (management thematic briefings and in-house sessions delivered by external auditors and legal advisers); and (iii) self-study (reading of GEM Listing Rules, regulatory and industry updates, consultation papers, other reference resources).

All Directors listed in the table below, fulfilled the mandatory continuous professional development requirements under the GEM Listing Rules during the Year, covering all five mandated topics. Based on the details so provided, the CPD training undertaken by the Directors during the year is summarised as follows:

Directors	Mode	Topics Covered	Hours Completed	Total
Executive Directors				
Cao Chunmeng	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T2, T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours
Han Bing	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours
Choon Shew Lang	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours
Mong Kean Yeow	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours
Non-executive director				
Qiu Yingming	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours

Directors	Mode	Topics Covered	Hours Completed	Total
Independent non-executive director				
Zheng Xiaorong	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T1, T2, T3, T4, T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours
Yan Xiaotian	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T1, T2, T3, T4, T5	2 hours	
	Self-Study	T1, T2, T3, T4, T5	3 hours	6 hours
Tang Chi Wai	Internal Training	T1, T2, T3, T4	1 hour	
	External Training	T1, T2, T3, T4, T5	30 hours	
	Self-Study	T1, T2, T3, T4, T5	20 hours	51 hours

REMUNERATION OF SENIOR MANAGEMENT

During the Year, the remuneration bands of senior management is listed as follows:

Band of remuneration (HK$)	No. of person(s)
HK$1,000,001 to HK$1,500,000	3

Further details of the remuneration of the Directors and the 5 highest paid employees are set out in note 10 to the consolidation financial statements.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group. The Directors also acknowledge their responsibility to ensure the financial statements are published in a timely manner. The Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The statement of the external independent auditor of the Company, Moore, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 110 to 115 of this report.

INDEPENDENT AUDITOR'S REMUNERATION

During the Year, the fee paid/payable to Moore and its affiliates is as follows:

Description	RMB'000
Audit services – Annual audit	750

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Mr. Chan Kwok Wai ("**Mr. Chan**") was appointed as the company secretary of the Company in October 2022. During the Year, Mr. Chan has undertaken not less than 15 hours of relevant professional training in compliance with Rule 5.15 of GEM Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

Board statement

The Board acknowledges its responsibility for establishing, maintaining and overseeing the Group's risk management and internal control systems, and for reviewing their adequacy and effectiveness at least annually. The Board oversees the systems on an ongoing basis and ensures that they are designed to manage identified risks, safeguard the Group's assets, prevent and detect fraud, misconduct and loss, ensure the accuracy of financial reporting and compliance with applicable laws and regulations, and support the achievement of the Group's strategic objectives.

Based on the annual review conducted and the information provided by management, the Board confirms that the Group's risk management and internal control systems were appropriate and effective during the Year and up to the date of this report for the purposes set out in Principle D.2 of the CG Code.

Main features of the risk management and internal control systems

The Group has established a risk management policy setting out the procedures for identifying, evaluating and managing significant risks affecting its business and operations, including ESG risks. The main features of the Group's risk management and internal control systems are as follows:

- **Risk identification and assessment:** Each division is responsible for identifying and assessing its principal risks, including ESG risks, on a quarterly basis, taking into account the nature of its business activities and relevant internal and external factors.

- **Risk mitigation:** Each division formulates and implements appropriate mitigation measures to manage the risks identified, with a view to reducing their potential impact on the Group's business and operations.

- **Management oversight and monitoring:** Management oversees the Group's risk management and internal control activities and holds quarterly meetings with each division to review principal risks, monitor the implementation of mitigation measures, and identify new or changing risks.

- **Board oversight:** The Board oversees management's design, implementation and ongoing monitoring of the Group's risk management and internal control systems. Management provides confirmation to the Board on the effectiveness of these systems, which are reviewed by the Board at least annually.

The systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

Procedures for the timely, accurate and complete disclosure of disclosable information

The Group has adopted an inside information disclosure policy setting out the procedures for the timely, accurate and complete disclosure of disclosable information, including inside information and any other information required to prevent a false market in the Company's securities. The relevant procedures include the following:

- **Identification and reporting:** Relevant departments and personnel are responsible for promptly reporting any significant developments, transactions or events that may constitute inside information or other disclosable information to management for assessment.

- **Assessment and escalation:** Management assesses the nature and materiality of the information and, where necessary, escalates the matter to the Board for consideration of the applicable disclosure requirements.

- **Confidentiality:** Before information is publicly disclosed, relevant personnel are required to maintain its confidentiality and restrict access to those who need to know the information. Where applicable, appropriate measures are taken to preserve confidentiality while a transaction or matter remains under negotiation.

- **Market information and further disclosure:** The Company monitors circumstances that may require clarification or further disclosure and responds to enquiries from the Stock Exchange in accordance with the GEM Listing Rules. Where necessary, the Company will make further announcements to ensure that information disclosed to the market remains timely, accurate and complete and to prevent a false market in the Company's securities.

Significant changes during the Year

During the Year, the Group reviewed its assessment of risks, including ESG risks, and its risk management and internal control systems. There were no significant changes in the Group's risk assessment or in its risk management and internal control systems during the Year.

Internal audit function

The Group does not have a separate internal audit function. The Board reviews the need to establish an internal audit function annually. Having considered the Group's relatively simple corporate and operational structure, the Board considers that the Group's existing risk management and internal control arrangements, together with the Board's oversight, the Audit Committee's supervision and the engagement of an independent internal control consultant, Premier Advisory Services Limited, are appropriate to the Group's circumstances. The Board will continue to review the need for an internal audit function annually.

CORPORATE GOVERNANCE REPORT

Responsibilities, process and frequency of the review

Party	Responsibility	Process	Frequency
Board	It has overall responsibility for the Group's risk management and internal control systems, including determining the nature and extent of risks the Group is willing to take in achieving its strategic objectives, and concluding on the adequacy and effectiveness of the systems.	It reviews reports and relevant information from the Audit Committee, management and the independent internal control consultant. It also considers management's confirmation on the effectiveness of the systems.	At least annually with ongoing oversight
Audit Committee	It assists the Board in overseeing the Group's risk management and internal control systems, including reviewing the effectiveness of the systems and the results of relevant internal control reviews.	It reviews the findings and recommendations of the independent internal control consultant, relevant reports from management and the external auditor. It reports significant findings to the Board.	At least annually with ongoing oversight
Independent Internal Control Consultant (external)	It conducts an independent review of specified internal control procedures and provides recommendations for improvement.	It conducts an independent review of the Group's risk management and internal control systems, covering material financial, operational and compliance controls, and reports its findings and recommendations to the Group.	Annually
External Auditor	It reports relevant internal control matters identified in the course of the statutory audit.	It communicates relevant findings and recommendations to management and the Audit Committee through the audit process and management letter.	Annually

CORPORATE GOVERNANCE REPORT

Scope and findings of the review

During the Year, the Board, with the support of the Audit Committee and management, conducted an annual review of the adequacy and effectiveness of the Group's risk management and internal control systems. The review covered the Group's material financial, operational and compliance controls and risk management functions.

In conducting the review, the Board considered:

- Changes in the nature and extent of significant risks, including ESG risks, since the previous annual review, and the Group's ability to respond to changes in its business and the external environment;

- The scope and quality of management's ongoing monitoring of risks, including ESG risks, and the internal control systems, as well as the work performed by the independent internal control consultant and other assurance providers;

- The extent and frequency of communication of monitoring results to the Board and the Audit Committee;

- Significant control failings or weaknesses identified during the review, their actual or potential implications for the Group's financial performance or condition, and any remedial measures taken or proposed;

- The effectiveness of the Group's financial reporting processes and procedures for complying with the GEM Listing Rules; and

- The adequacy of internal and external resources for designing, implementing and monitoring the systems, including staff qualifications and experience, training programmes, and the budget and resources allocated to accounting, financial reporting and ESG reporting.

During the Year, the Group engaged an independent internal control consultant to review certain internal control procedures relating to the provision and maintenance of sound and communications systems, e-commerce operations services and related services undertaken by the Group. The review was limited to the agreed scope and aimed to identify areas for improvement and provide recommendations to strengthen the Group's internal control systems.

Based on the annual review, the findings of the independent internal control consultant and the information provided by management, the Board concluded that the Group's risk management and internal control systems were appropriate and effective during the Year and up to the date of this report. No significant control failings or weaknesses were identified during the Year. The Board also confirmed that no significant control failings or weaknesses identified in previous years remained unresolved.

Whistleblowing mechanism, anti-fraud and anti-corruption policies

The Group has established a whistle-blowing policy and system that enables Group employees and external parties dealing with the Group, including customers and suppliers, to report concerns confidentially and anonymously directly to the Audit Committee. Concerns may relate to suspected improprieties involving the Group, including financial reporting irregularities, internal control deficiencies, fraud, corruption or other misconduct.

Reported matters are handled in accordance with established procedures. Where appropriate, independent investigations will be conducted, and material matters will be reported to the Audit Committee and relevant designated persons. Remedial and corrective actions will be monitored and followed up as necessary.

The Group has also adopted anti-fraud and anti-corruption policies, which apply to directors, senior management, all employees and key business counterparties.

SHAREHOLDERS' RIGHTS

Procedures for Convening General Meetings by Shareholders

Pursuant to the Articles of Association, and the applicable legislation and regulation, in particular the GEM Listing Rules (as amended from time to time), the Board may, whenever it thinks fit, convene an extraordinary general meeting ("**EGM**"). EGMs shall also be convened on the requisition of one or more shareholders holding, at the date of deposit of requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose requiring an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must state the purposes of the meeting, signed by the requisitionist(s) and deposit it to the Board or the company secretary of the Company by mail at Suite 4302, 43/F. Central Plaza, 18 Harbour Road, Wanchai, Hong Kong to require an EGM to be called by the Board for the transaction of any business specified in such requisition. Such requisition should specify clearly the name of the eligible shareholder(s) concerned, his/her/their shareholding, the reason(s) to convene an EGM and the details of the business(es) proposed to be transacted in the EGM, and must be signed by the eligible shareholder(s) concerned together with a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and circulating the statement by submitted by shareholders concerned in accordance with the statutory requirements to all the registered shareholders.

The requisition will be verified with Hong Kong branch share registrar and transfer office of the Company and upon their confirmation that the requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the requirements under the Articles of Association to all the registered shareholders. On the contrary, if the requisition has been verified as not in order or the shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the eligible shareholder(s) concerned will be advised of this outcome and accordingly, the Board will not call for an EGM.

If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, 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.

Procedures for Putting Forward Proposals at Shareholders' Meeting

Shareholders are requested to follow Article 64 of the Articles of Association for including a resolution at an EGM. The requirements and procedures are set out above in the paragraph headed "Procedures for Convening General Meetings by Shareholders".

Procedures by which Enquiries may be put to the Board

The Group values feedback from shareholders on its efforts to promote transparency and foster investor relationship. Shareholders are encouraged to send their enquiries to the Board by post to the principal place of business set out in the section headed "Corporate Information" in this report. Shareholders may also make enquires with the Board at the general meetings of the Company.

INVESTOR RELATIONS

The Board strives to maintain on-going dialogue with shareholders and the investment community. The Company has established a shareholders communication policy to set out the Company's procedures in providing the shareholders and investment community with ready, equal and timely access to balanced and understandable information about the Company.

Latest information on the Group including, but not limited to, interim and annual reports, announcements, circulars, announcements, and notices of AGMs are available on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ispg.hk).

In addition, the Company regards the AGM as an important event as it provides an opportunity for direct communication between the Board and its shareholders. Shareholders are encouraged to attend the AGM, where all Board members and external auditors are available to answer questions on the Group's business.

The Board has reviewed the implementation and effectiveness of the Company's Shareholders' Communication Policy including steps taken at the general meetings and the multiple channels of communication and engagement in place, and considered that the Shareholders' Communication Policy has been properly implemented during the Relevant Period under review and is effective.

CONSTITUTIONAL DOCUMENTS

There was no changes in the constitutional documents of the Company during the Relevant Period.

The second amended and restated memorandum and article of association of the Company is available on the respective websites of the Stock Exchange and the Company.

REPORT OF THE DIRECTORS

The Board is pleased to submit this annual report together with the audited consolidated financial statements of the Group for the year ended 30 June 2026 ("**Year**").

PRINCIPAL ACTIVITIES

The principal business activity of the Company is that of investment holding. The principal activities and other particulars of the Company's principal subsidiaries are set out in note 27 to the consolidated financial statements.

REORGANISATION AND SHARE OFFER

The Company was incorporated as an exempted company in the Cayman Islands with limited liability on 21 July 2017. Its shares were listed on GEM of the Stock Exchange on 16 January 2018. Pursuant to the reorganisation of the Group in connection with the listing of the Shares on GEM of the Stock Exchange, the Company underwent a corporate reorganisation (the "**Reorganisation**") and the Company became the holding company of the Group on 8 December 2017. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure – Reorganisation" to the Prospectus.

DIRECTORS

During the Year and up to the date of this report, the Board comprises the following Directors:

Executive Directors

Mr. Cao Chunmeng (Chairman)
Mr. Han Bing (Chief Executive Officer)
Mr. Yuan Shuangshun (Resigned on 31 March 2026)
Mr. Mong Kean Yeow
Ms. Choon Shew Lang

Non-Executive Director

Mr. Qiu Yingming

Independent Non-executive Directors ("INED")

Mr. Tang Chi Wai
Mr. Yan Xiaotian
Mr. Zheng Xiaorong

In accordance with Article 108(a) of the Articles of Association, Mr. Cao Chunmeng, Ms. Choon Shew Lang and Mr. Yan Xiaotian will retire from the Board by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

The biographical details of the Directors and the senior management of the Company are set out on pages 7 to 10 of this report.

REPORT OF THE DIRECTORS

RESULTS AND BUSINESS REVIEW

The results of the Group for the Year are set out in the section headed "Consolidated Statements of Profit or Loss and Other Comprehensive Income" on page 116 of this report. The business review of the Group for the Year and the outlook are set out in the section headed "Management Discussion and Analysis" on pages 11 to 28 in this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks faced by the Group are set out on pages 22 of this annual report. As it is a non-exhaustive list, there may be other risks and uncertainties further to the disclosures. Besides, this annual report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company. Investors are advised to make their own judgement or consult professionals before making any investment in the securities of the Company.

KEY PERFORMANCE INDICATORS

The key performance indicators are detailed in the financial review set out in the section headed "Management's Discussion and Analysis" on pages 11 to 28 of this annual report. This discussion constitutes a part of this report.

BANK BORROWINGS

Details of bank borrowings of the Group for the year ended 30 June 2026 are set out in note 20 to the consolidated financial statements.

INTEREST CAPITALISED

The Group has not capitalised any interest during the year ended 30 June 2026.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group for the past five financial years, as extracted from the audited consolidated financial statements, is set out on pages 193 to 194 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

REPORT OF THE DIRECTORS

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in note 22 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the "Consolidated Statement of Changes in Equity" on page 119 and note 30 to the consolidated financial statements.

The Company did not have distributable reserve as at 30 June 2026, calculated under the Companies Law of Cayman Islands, as it has accumulated losses.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the Year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Board confirms that during the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares (within the meaning of the GEM Listing Rules)) of the Company.

PRE-EMPTIVE RIGHTS

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

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme and the Share Award Scheme, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 14 December 2017 (the "**Adoption Date**"). The terms of the Share Option Scheme are in accordance 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 of Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("**Invested Entity**").

(B) Participants of the Share Option Scheme

(1) Any employee (whether full-time or part-time) of the Company, any of the subsidiaries and any Invested Entity;

(2) Any director (including executive, non-executive and independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;

(3) Any supplier of goods or services to any member of the Group or any Invested Entity;

(4) Any customer of the Group or any Invested Entity;

(5) Any consultant adviser, manager, officer or entity that provides research, development or other technological support to the Group or any Invested Entity; and

(6) Or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group or any Invested Entity eligible for options under the Share Option Scheme.

(C) Total number of Shares available for Issue under the Share Option Scheme

Under the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the 16 January 2018, being 80,000,000 Share (the "**Scheme Limit**"). Subject to the issue of a circular by the Company and the approval of the shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may renew this limit at any time to 10% of the Shares in issue (the "**New Scheme Limit**") as at the date of the approval by the shareholders in that general meeting.

As at the date of this report, the total number of shares available for issue under the Share Option Scheme was 14,700,000 Shares (representing approximately 1.4% of total number of issued shares of the Company as at the date of this report).

The number of share options available for grant under the Share Option Scheme was 14,700,000 Shares as at 1 July 2025, and 14,700,000 Shares as at 30 June 2026.

(D) Maximum Entitlement of Each Participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

No service provider sub-limit was set under the Share Option Scheme.

(E) Period within which the Shares must be taken up under an Option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

(F) Minimum period for which an Option must be held before it can be exercised

The minimum period will be determined by the Board upon the grant of an option.

(G) Amount payable on acceptance of an option and the Period within which payments shall be made

A consideration of HK$1 (approximately RMB0.87) is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date no later than 21 business days from the date upon which it is made.

(H) Basis of determining the Exercise Price

The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant, and (3) the nominal value of the share on the date of grant.

(I) Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date until 13 December 2027. As at the date of this report, the remaining life of the Share Option Scheme was about 1 year and 2 months.

The following table sets out the change of number of share options outstanding under the Share Option Scheme:

As at 30 June 2026, options to subscribe for an aggregate of 44,000,000 shares of the Company granted to Directors, certain employees and external consultant pursuant to the Share Option Scheme remained outstanding, details of which were as follows:

Name and category of participants	Date of grant	Exercise price per option	Exercise period	Closing price of the Company's shares immediately before the grant date	Vesting period	At 1 July 2025	Granted during the year	Lapsed/ forfeited during the year	At 30 June 2026
Directors									
Mr. Yuan Shuangshun (Note)	31.12.2021	HK$0.5	31.12.2021 to 30.12.2026	HK$0.2	N/A	2,400,000	–	(2,400,000)	–
	31.12.2021	HK$0.5	31.12.2022 to 30.12.2026	HK$0.2	1st anniversary of the date of grant	2,400,000	–	(2,400,000)	–
	31.12.2021	HK$0.5	31.12.2023 to 30.12.2026	HK$0.2	2nd anniversary of the date of grant	3,200,000	–	(3,200,000)	–
Sub-total						8,000,000	–	(8,000,000)	–
Mr. Han Bing	31.12.2021	HK$0.5	31.12.2021 to 30.12.2026	HK$0.2	N/A	2,400,000	–	–	2,400,000
	31.12.2021	HK$0.5	31.12.2022 to 30.12.2026	HK$0.2	1st anniversary of the date of grant	2,400,000	–	–	2,400,000
	31.12.2021	HK$0.5	31.12.2023 to 30.12.2026	HK$0.2	2nd anniversary of the date of grant	3,200,000	–	–	3,200,000
Sub-total						8,000,000	–	–	8,000,000
Mr. Yan Xiaotian	31.12.2021	HK$0.5	31.12.2021 to 30.12.2026	HK$0.2	N/A	240,000	–	–	240,000
	31.12.2021	HK$0.5	31.12.2022 to 30.12.2026	HK$0.2	1st anniversary of the date of grant	240,000	–	–	240,000
	31.12.2021	HK$0.5	31.12.2023 to 30.12.2026	HK$0.2	2nd anniversary of the date of grant	320,000	–	–	320,000
Sub-total						800,000	–	–	800,000
Mr. Tang Chi Wai	31.12.2021	HK$0.5	31.12.2021 to 30.12.2026	HK$0.2	N/A	240,000	–	–	240,000
	31.12.2021	HK$0.5	31.12.2022 to 30.12.2026	HK$0.2	1st anniversary of the date of grant	240,000	–	–	240,000
	31.12.2021	HK$0.5	31.12.2023 to 30.12.2026	HK$0.2	2nd anniversary of the date of grant	320,000	–	–	320,000
Sub-total						800,000	–	–	800,000
Employees – In aggregate	31.12.2021	HK$0.5	31.12.2021 to 30.12.2026	HK$0.2	N/A	10,650,000	–	(330,000)	10,320,000
	31.12.2021	HK$0.5	31.12.2022 to 30.12.2026	HK$0.2	1st anniversary of the date of grant	10,650,000	–	(330,000)	10,320,000
	31.12.2021	HK$0.5	31.12.2023 to 30.12.2026	HK$0.2	2nd anniversary of the date of grant	14,200,000	–	(440,000)	13,760,000
Sub-total						35,500,000	–	(1,100,000)	34,400,000
Total						53,100,000	–	(9,100,000)	44,000,000

Note:

Mr. Yuan Shuangshun has resigned as an executive director on 31 March 2026.

During the Year and up to the date of this report, no share option has been granted or issued.

As at 30 June 2026, there was 44,000,000 share options outstanding.

During the Year, there were 9,100,000 share options lapsed or forfeited due to the resignation of employees.

No share options were granted, exercised or cancelled under the Share Option Scheme during the Year.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Year divided by the weighted average number of issued shares of the Company for the Year is 0%, as no option or award was granted under all schemes of the Company during the Year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the Year attributable to the Group's major customers and suppliers are as follows:

	%
SALES	
– The largest customer	8.5
– Five largest customers	29.5
PURCHASES	
– The largest supplier	23.1
– Five largest suppliers	44.3

None of the Directors, their associates or any shareholders (which to the best knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

REPORT OF THE DIRECTORS

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Year, details of significant transactions with its related parties or transactions undertaken in the normal course of business are set out in the note 26 to the consolidated financial statements. None of those transactions constitutes a disclosable connected transaction pursuant to Chapter 20 of the GEM Listing Rules.

DISCLOSURE OF INTERESTS

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 ASSOCIATED CORPORATION

As at 30 June 2026, the interests and short positions of the Directors or 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, were as follows:

I. Long position in the ordinary shares of the Company

Name of Directors	Capacity/Nature of interest	Number of shares held/ interested	Approximate percentage of shareholding in the Company
Mr. Cao Chunmeng ("**Mr. Cao**")	Beneficial owner	119,936,000	11.46%
Mr. Han Bing	Beneficial owner	1,000,000	0.10%
Mr. Qiu Yingming	Beneficial owner	46,044,000	4.40%

II. Long position in underlying shares or equity derivatives of the Company

Name	Capacity/Nature of interest	Share options	Approximate percentage of shareholding in the Company	Approximate percentage of shareholding in the Company assuming all the share options granted under Share Option Scheme were exercised
Mr. Han Bing	Beneficial owner	8,000,000	0.76%	0.73%
Mr. Yan Xiaotian	Beneficial owner	800,000	0.08%	0.07%
Mr. Tang Chi Wai	Beneficial owner	800,000	0.08%	0.07%

Save as disclosed above, as at 30 June 2026, none of the Directors had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the CG Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2026, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have interests and short positions in shares or underlying shares of the Company which would fall 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 were recorded in the register required to be kept by the Company under Section 336 of the SFO was as follows:

Name	Capacity/Nature of interest	Number of Shares held/ interested in	Percentage of shareholding
Huang Songyuan	Beneficial owner	65,300,000	6.24%

Save as disclosed above, as at 30 June 2026, so far as is known to the Directors or chief executive of the Company, no other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "**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 ASSOCIATED CORPORATION**" above, had any interest or a short position in the shares or underlying shares of the Company which would fall 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 were recorded in the register required to be kept by the Company under Section 336 of the SFO.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS

Mr. Mong Kean Yeow and Ms. Choon Shew Lang are executive Directors currently in office and they have entered into service agreements with the Company for a term of three years commencing from 16 January 2018. Mr. Han Bing entered into a service agreement with the Company for a term of three years commencing from 1 September 2021. Mr. Cao Chunmeng, who has been redesignated as an executive Director on 1 January 2022, has entered into a service agreement with the Company for a term of three years commencing from 1 January 2022. Mr. Qiu Yingming entered into a service agreement with the Company for a term of one year commencing from 1 March 2023. The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles of Association.

Mr. Tang Chi Wai, Mr. Zheng Xiaorong and Mr. Yan Xiaotian separately entered into a letter of appointment with the Company for an initial term of one year commencing from 16 January 2018, 1 July 2022, and 27 November 2020 respectively. The letters of appointment may be terminated by either party giving no less than one month's written notice served by either party on the other. The term of INEDs is subject to retirement and be subject to re-election in the forthcoming annual general meeting of the Company.

Save as disclosed above, none of the Directors who proposed to be re-elected at the forthcoming AGM has entered into a service contract that are not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REMUNERATION

The Directors' emoluments are subject to the Company's shareholders' approval at general meetings and such emoluments shall be determined by the Board and the Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Group. Details of remuneration of the Directors are set out in note 10 to the consolidated financial statements.

EMOLUMENT POLICY

The Company has established the Remuneration Committee in compliance with the GEM Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the remuneration policy and other remuneration related matters, including benefits in kind and other compensation payable to the Directors and senior management, after consultation with the chairman and the chief executive officer of the Company.

Under the remuneration policy of the Company, the Remuneration Committee will consider factors such as corporate and individual performance, salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group.

Details of the Directors' remuneration and the five highest paid individuals are set out in note 10 to the consolidated financial statements.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

A directors' liability insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

None of the Directors or any entity connected with the Directors had a material interest, either directly or indirectly, in any significant transactions, arrangements and contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party for the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No Director has entered into any arrangement to enable himself/herself to acquire benefits by means of acquisition of shares in or debentures of the Company or any Invested Entity during the Year and up to the date of this report.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are set out under the section headed "Biographical Details of Directors and Senior Management" as set out on pages 7 to 10 of this annual report.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, there are no other matters that need to be disclosed for 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.

INTEREST IN COMPETING INTERESTS

The Directors confirm that neither the Directors nor the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Year, and is required to be disclosed pursuant to GEM Listing Rules.

REPORT OF THE DIRECTORS

SUFFICIENCY OF PUBLIC FLOAT

During the Year, based on the information that is publicly available to the Company and within the best knowledge of the Directors, Directors confirmed that the Company has maintained a sufficient amount of public float for its Shares as required under the GEM Listing Rules.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, the Group did not hold any significant investment. Save as disclosed elsewhere in this report, the Group did not have any other plan for material investments or capital assets as at the date of this report.

RETIREMENT SCHEME

During the Year, the Group participates in the Central Provident Fund in Singapore, Employees' Provident Fund in Malaysia, Mandatory Provident Fund in Hong Kong ("**MPF Scheme**"), and Social Insurance in the PRC which are defined contribution retirement plans, when employees have rendered service entitling them to the contributions. Save for the aforementioned, the Group did not participate in any other pension schemes.

Under the MPF Scheme, the Group may use voluntary contributions forfeited by the Group on behalf of employees who leave the scheme prior to vesting fully in such contributions to reduce the existing level of contributions. Nonetheless, there were no forfeited contributions, and therefore no such contributions used to reduce the existing level of contributions, during the Year (2025: nil).

Under the central pension schemes to which the Group's subsidiaries operating in the PRC, Singapore and Malaysia are required to make contributions, no forfeited contributions may be used by the employer to reduce the existing level of those contributions.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environmental policies and performance of the Group are provided in the section headed "Environmental, Social and Governance Report" in this report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group fully complies with all laws and regulations and regularly monitors and gathers information about changes in laws, rules and regulations relevant to the Group's businesses to ensure the Group's observance of those applicable laws, rules and regulations, especially those which may have material impact on the Group.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 73 to 96 of the annual report.

REPORT OF THE DIRECTORS

EVENTS AFTER THE REPORTING PERIOD

On 13 July 2026, 北京里奥貝通科技有限公司 (the "**Vendor**"), an indirect 55%-owned subsidiary of the Group and an independent third party (the "**Purchaser**") entered into a Sale and Purchase Agreement, pursuant to which, among other things, the Vendor agreed to sell, and the Purchaser agreed to acquire the entire equity interest of 北京眾聯智匯科技有限公司 (the "**Disposal Target**"), a direct wholly-owned subsidiary of the Vendor, considerations of RMB52,000.

Upon completion of this transaction, 51% of the equity interest of the Disposal Target would be held by the Purchaser, and the Group's effective interest in the Disposal Target would be reduced from 55% to 49%. On 24 August 2026, upon the completion of the transaction, the Group lost control over the Disposal Target given that the independent third party holds majority voting rights, and the Group recognised gain on disposal of a subsidiary amounting to approximately RMB35,000 in the profit and loss. As the Group retains significant influence over the Disposal Target subsequent to the disposal, the Disposal Target is classified as an associate the Group.

Save for the above, the Group had no significant events from the end of the reporting period to the date of this report.

INDEPENDENT AUDITOR

The consolidated financial statements for the years ended 30 June 2021, 2022, 2023, 2024,2025 and 2026 have been audited by Moore.

A resolution will be proposed at the forthcoming AGM for the re-appointment of Moore as the independent auditor of the Company.

By Order of the Board
ISP Global Limited
Cao Chunmeng
Chairman and executive Director

Hong Kong, 30 September 2026

INDEPENDENT AUDITOR'S REPORT



Moore CPA Limited
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Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

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Independent Auditor's Report to the Shareholders of ISP Global Limited
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of ISP Global Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 116 to 192, which comprise the consolidated statement of financial position as at 30 June 2026, 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 the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**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**") issued by the Hong Kong Institute of Certified Public Accountants ("**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. We have also 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.

INDEPENDENT AUDITOR'S REPORT

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.

Revenue recognition for sale and provision of integrated services of networking, sound and communication systems and sale of consumer products

Refer to Notes 3, 4 and 5 to the consolidated financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group recognised revenue from sale and provision of integrated services of networking, sound, and communication systems and sale of consumer products of approximately RMB74,570,000 and RMB22,606,000 respectively for the year ended 30 June 2026, where the period in which such revenue is recorded is an inherent risk due to large volumes of customers' orders, and when the customers have taken possession of and accepted the goods. We have identified the recognition of revenue from sale and provision of integrated services of networking, sound, and communication systems and sale of consumer products as a key audit matter because revenue is one of the key performance indicators of the Group and because there is an inherent risk of manipulation of the timing of recognition of revenue by the management to meet specific targets or expectations. In addition, significant management judgements were involved in revenue recognition from sale of consumer products, such as determining whether the role of the Group in those transactions was acting as a principal or an agent and whether to recognise revenue on a gross or net basis. The assessment included considering and weighing key features e.g. which party bears the primary responsibility, inventory risks, and the discretion to establish prices.	Our key procedures to address the matter included: • Inspecting sales agreements signed in the current period, on a sample basis, to understand the terms of sales transactions including the terms of delivery and acceptance and any return arrangements to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards; • Inspecting invoices and credit notes issued prior to and subsequent to the year-end on sample basis; and • Checking the appropriateness of timing of recorded transactions, which is measured by the acknowledgement and acceptance by the customers. We also performed the following procedures in relation to the judgement as to whether the Group acts as the principal or agent and hence whether revenue is recognised on a gross or net basis: • Inspecting the contracts and discussing with the management to assess relevant terms, including who is the primary obligor to provide goods or services to the customers, who has the inventory risks; and • Checking on a sample's basis, the background of the Group's customers and suppliers and discussing with management to understand the key areas of their cooperation, such as how their relationships were established, how the price was negotiated and determined and the acceptance of goods delivered.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Impairment assessment of trade receivables

Refer to Notes 3, 4, 16 and 32(c) to the consolidated financial statements

Key Audit Matter	How our audit addressed the Key Audit Matter
As at 30 June 2026, the Group had trade receivables with net carrying amount of approximately RMB13,398,000. During the year ended 30 June 2026, the Group has recognised a provision for expected credit loss ("**ECL**") on trade receivables of approximately RMB332,000. The ECL assessment on trade receivables is considered to be a matter that requires the application of significant judgement which involves the use of subjective assumptions by the Group' s management. The management of the Group believed that the methodologies and inputs used in estimating ECL are in accordance with the applicable accounting standards. These models and assumptions relate to the future macroeconomic conditions and debtors' creditworthiness. The Group has adopted judgement, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as criteria for judging significant increase in credit risk, definition of credit-impaired financial asset, parameters for measuring ECL and forward-looking information.	Our key procedures to address the matter included: • Evaluating the methodologies, inputs and assumptions used by the Group in calculating the ECL, by reference to externally available economic data; • Obtaining an ageing analysis of the trade receivables from the management of the Group and testing the accuracy of ageing of trade receivables at the reporting date to the underlying invoices on a sample basis; • Challenging the management's assessment of the recoverability of long outstanding and overdue trade receivables; • Selecting samples considering the management's assessment of the latest financial conditions of the debtors, based on historical experience and observable external data; • Assessing the adequacy of the ECL recorded by reviewing subsequent settlements after the year end and any correspondence with customers about expected settlement dates; and • Examining the key data inputs to assess their accuracy and completeness and challenge the assumptions including both historical and forward-looking information especially the market data used in determination of the expected credit loss allowance.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the annual report, 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 and fair presentation of the consolidated financial statements in accordance with IFRSs 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 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.

The directors of the Company are assisted by those charged with governance in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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.

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.

Moore CPA Limited
Certified Public Accountants

Hung Wan Fong Joanne
Practising Certificate Number: P05419

Hong Kong, 30 September 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Notes	**2026 RMB'000**	2025 RMB'000
Revenue	5	**97,176**	231,746
Costs of sales/services		**(67,936)**	(164,291)
Gross profit	5	**29,240**	67,455
Other income	6	**371**	335
Other gains, net	6	**140**	–
Provision for expected credit loss on trade receivables	16	**(332)**	(1,375)
Impairment of goodwill	14	**(74)**	(902)
Selling and administrative expenses		**(15,773)**	(46,205)
Staff costs for selling and administrative		**(32,049)**	(34,320)
Finance costs	7	**(1,073)**	(4,288)
Loss before income tax	9	**(19,550)**	(19,300)
Income tax expense	8	**(200)**	(310)
Loss for the year		**(19,750)**	(19,610)
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(4,595)**	4,071
Other comprehensive (loss)/income for the year		**(4,595)**	4,071
Total comprehensive loss for the year		**(24,345)**	(15,539)
Loss for the year attributable to:			
– Owners of the Company		**(16,469)**	(14,920)
– Non-controlling interest		**(3,281)**	(4,690)
		(19,750)	(19,610)
Total comprehensive loss for the year attributable to:			
– Owners of the Company		**(21,070)**	(10,754)
– Non-controlling interest		**(3,275)**	(4,785)
		(24,345)	(15,539)
Loss per share attributable to the owners of the Company			
Basic and diluted (Expressed in RMB cents per share)	12	**(1.57)**	(1.43)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000	30 June 2025 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	**26,119**	28,976
Goodwill	14	**–**	74
Deposits	16	**187**	144
Pledged bank deposits	18	**530**	213
		26,836	29,407
Current assets			
Inventories	15	**23,553**	23,075
Trade receivables	16	**13,398**	15,898
Other receivables, deposits and prepayments	16	**6,387**	11,600
Contract assets	17	**3,414**	2,275
Cash and cash equivalents	18	**47,493**	55,977
		94,245	108,825
Current liabilities			
Trade and other payables	19	**40,388**	23,805
Contract liabilities	17	**11,692**	6,021
Lease liabilities	13	**1,380**	2,106
Borrowings	20	**23,810**	24,186
Income tax payable		**321**	986
		77,591	57,104
Net current assets		**16,654**	51,721
Total assets less current liabilities		**43,490**	81,128
Non-current liabilities			
Lease liabilities	13	**1,429**	1,608
Borrowings	20	**4,021**	17,161
Deferred tax liabilities	21	**62**	37
		5,512	18,806
Net assets		**37,978**	62,322

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 RMB'000**	30 June 2025 RMB'000
EQUITY			
Share capital	22	**8,999**	8,999
Reserves	23	**42,373**	63,442
Equity attributable to the owners of the Company		**51,372**	72,441
Non-controlling interest		**(13,394)**	(10,119)
Total equity		**37,978**	62,322

The consolidated financial statements on pages 116 to 192 were approved and authorised for issue by the Board of Directors on 30 September 2026 and are signed on its behalf by:

Mr. Cao Chunmeng
Chairman and Executive Director

Mr. Han Bing
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Attributable to the owners of the Company								
	Share capital (Note 22) RMB'000	**Share premium** (Notes 23(a)) RMB'000	**Merger reserve** (Note 23(b)) RMB'000	**Translation reserve** (Note 23(c)) RMB'000	**Shares option reserve** (Note 23(d)) RMB'000	**Accumulated losses** RMB'000	**Sub-total** RMB'000	**Non-controlling interest** RMB'000	**Total** RMB'000
At 30 June 2024 and 1 July 2024	8,999	116,979	2,572	5,379	7,409	(54,500)	86,838	(8,906)	77,932
Loss for the year	–	–	–	–	–	(14,920)	(14,920)	(4,690)	(19,610)
Other comprehensive income/(loss) for the year:									
Exchange differences on translation of foreign operations	–	–	–	4,166	–	–	4,166	(95)	4,071
Total comprehensive income/(loss) for the year	–	–	–	4,166	–	(14,920)	(10,754)	(4,785)	(15,539)
Lapse of share options (Note 24)	–	–	–	–	(165)	165	–	–	–
Acquisition of non-controlling interests	–	–	–	–	–	(3,643)	(3,643)	3,643	–
Acquisition of a subsidiary	–	–	–	–	–	–	–	(71)	(71)
At 30 June 2025 and 1 July 2025	8,999	116,979	2,572	9,545	7,244	(72,898)	72,441	(10,119)	62,322
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(16,469)**	**(16,469)**	**(3,281)**	**(19,750)**
Other comprehensive (loss)/income for the year:									
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**(4,600)**	**–**	**–**	**(4,600)**	**6**	**(4,594)**
Total comprehensive loss for the year	**–**	**–**	**–**	**(4,600)**	**–**	**(16,469)**	**(21,069)**	**(3,275)**	**(24,344)**
Lapse of share options (Note 24)	**–**	**–**	**–**	**–**	**(1,136)**	**1,136**	**–**	**–**	**–**
At 30 June 2026	**8,999**	**116,979**	**2,572**	**4,945**	**6,108**	**(88,231)**	**51,372**	**(13,394)**	**37,978**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
Cash flows from operating activities			
Loss before income tax		**(19,550)**	(19,300)
Adjustments for:			
Interest income	6	**(165)**	(225)
Foreign exchange gain, net	6	**(259)**	(19)
Loss on written off of property, plant and equipment	6	**16**	34
Loss on early termination and modification of leases	6	**96**	–
Loss on disposal of a subsidiary	6	**–**	(15)
Finance costs	7	**1,073**	4,288
Provision for allowance for expected credit loss on trade receivables	16	**332**	1,375
Impairment for goodwill	14	**74**	902
Depreciation of property, plant and equipment	9	**3,373**	3,218
Write-down of inventories	9	**2,246**	2,640
Operating cash flows before movements in working capital		**(12,764)**	(7,102)
Movements in working capital:			
Decrease in trade receivables		**2,169**	5,706
Decrease in other receivables, deposits and prepayments		**5,170**	15,925
(Increase)/decrease in inventories		**(2,725)**	17,925
Increase in trade and other payables		**10,658**	14,455
(Increase)/decrease in contract assets		**(1,138)**	480
Increase in contract liabilities		**5,671**	1,247
Cash generated from operations		**7,041**	48,636
Interest received		**165**	225
Income tax paid		**(836)**	(538)
Net cash generated from operating activities		**6,370**	48,323
Cash flows from investing activities			
Increase in pledged bank deposits		**(317)**	(213)
Cash acquired from acquisition of a subsidiary		**–**	166
Proceed from disposal of a subsidiary		**–**	15
Purchase of property, plant and equipment		**(944)**	(213)
Net cash used in investing activities		**(1,261)**	(245)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Notes	2026 RMB'000	2025 RMB'000
Cash flows from financing activities			
Proceeds from bank and other borrowings	29	**7,904**	176,809
Repayment of bank and other borrowings	29	**(21,420)**	(213,688)
Interest paid on bank and other borrowings	29	**(965)**	(4,087)
Repayment of lease liabilities – principal	29	**(1,802)**	(2,202)
Repayment of lease liabilities – interest	29	**(108)**	(201)
Advance from a director of the Company	29	**5,925**	4,296
Net cash used in financing activities		**(10,466)**	(39,073)
Net (decrease)/increase in cash and cash equivalents		**(5,357)**	9,005
Cash and cash equivalents at beginning of the year		**55,977**	44,053
Effect of foreign exchange rate changes on the balance of cash held in foreign currency		**(3,127)**	2,919
Cash and cash equivalents at end of the year – Bank balances and cash	18	**47,493**	55,977

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. GENERAL

ISP Global Limited (the "**Company**") was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 21 July 2017 and its registered office is situated at the offices of Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "**Companies Ordinance**") on 8 September 2017. The head office and principal place of business of the Group is at Room 4302, 43rd Floor, Center Plaza, 18 Harbour Road, Wan Chai, Hong Kong. The shares of the Company have been listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 16 January 2018.

The Company is an investment holding company and the principal activities of its operating subsidiaries are sale of networking, sound and communication systems, provision of integrated services of networking, sound and communication systems in Singapore and Malaysia and the People's Republic of China (the "**PRC**") and e-commerce operation in the PRC and Malaysia. The details of the subsidiaries are set out in Note 27.

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated. All values are rounded to the nearest thousand except when otherwise indicated.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the preparation of the consolidated financial statements for the year ended 30 June 2026, the Group has applied the following amendments to an IFRS Accounting Standard, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability

The application of the above amendments to an IFRS Accounting Standard has had no material impact on the Group's financial performance and position for the current and prior periods and/or the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (continued)

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not adopted the early application of the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

		Effective for annual period beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature – dependent Electricity	1 January 2026
Amendments to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IAS 28	Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

IFRS 18 Presentation and Disclosure of Financial Statements

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the consolidated statement of comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

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 the new standard is expected to affect the structure and presentation of the consolidated statement of comprehensive income and disclosures in the future financial statements. The Group is currently assessing the impact that IFRS 18 will have on the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB.

In addition, the consolidated financial statements also comply with the applicable disclosures provisions of the Rules Governing the Listing Securities on GEM of the Stock Exchange and the applicable disclosures required by the Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Certain comparative figures have been reclassified to conform with the current year's presentation.

The material accounting policy information adopted are set out below.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 30 June 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group has power over the investee is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Basis of consolidation (continued)

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

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interest; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investment retained; and (iii) any resulting surplus or deficit in consolidated profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to consolidated profit or loss or retained earnings/(accumulated losses), as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue from the following revenue streams:

(i) Sale of networking, sound and communication systems and consumer products

Revenue from sales of goods are recognised at point in time when control of the goods has been transferred to the customers. Control is primarily evidenced when the customers have taken possession of and accepted the goods. The Group controls the good before the good is accepted by a customer.

(ii) Provision of integrated services of sound and communication systems

Revenue from provision of integrated services of sound and communication systems is recognised over-time during the course of construction by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period. Progress towards complete satisfaction is measured based on output method, which recognises revenue on the basis of direct measurements of the value to the customer of the services transferred to date (i.e. surveys of work performed to date with reference to customers' confirmation, i.e. customer certificate) relative to the estimated total contract revenue.

The stage of completion is measured by the proportion of surveys of work performed to date with reference to customer certificate relative to the estimated total contract revenue.

Variations in contract work and claims are included to the extent that the amount can be measured reliably and its receipt is considered probable.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(ii) Provision of integrated services of sound and communication systems (continued)

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probably recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of construction contracts include costs that relate directly to the specific contract and costs that are attributable to contract activity and can be allocated to the contract. Such costs include but are not limited to material, labour, depreciation and hire of equipment, interest expense, subcontract cost and estimated costs of rectification and guarantee work, including expected warranty costs.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

There is no significant financing component as the Group expects that the period between the recognition of revenue under the output method and the payment will be one year or less.

(iii) Provision of technical support services in relation to networking systems

Revenue is recognised over time in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Retirement benefit costs

The Group companies operating in Singapore made payments to the defined contribution plan, Singapore's Central Provident Fund ("**CPF**") are recognised as expense when employees have rendered service entitling them to the contributions.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government. These PRC subsidiaries are required to contribute a percentage of their payroll costs to the central pension scheme as specified by the local municipal government. The contributions are charged to the consolidated profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Short-term and long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deduction any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service costs, interest and remeasurements are recognised in consolidated profit or loss except to the extent that another IFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Equity-settled share-based payment transactions

Share options granted to directors and employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 24(a).

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to consolidated profit or loss.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax

Income tax represents the sum of current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

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

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

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

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax (continued)

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

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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Property, plant and equipment

Property, plant and equipment, held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated profit or loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of property, plant and equipment is sold, its cost and accumulated depreciation are removed from the consolidated financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the consolidated profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment (continued)

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of property which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire property is classified as property, plant and equipment.

At the end of the reporting period, the Group's leasehold land and property remains as property, plant and equipment.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit ("**CGU**")'s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated profit or loss in the year in which it arises in those expense categories consistent with the function of the impaired assets.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated profit or loss in the year in which it arises.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

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

Group as a lessee

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

Right-of-use assets (included in property, plant and equipment)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in the section "Impairment of non-financial assets".

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

Group as a lessee (continued)

Short-term leases and leases of low-value asset

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

Financial instruments

Financial assets and liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts with Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at amortised cost

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("**ECL**") on financial assets which are subject to impairment under IFRS 9 (including trade receivables, other receivables, deposits, contract assets, pledged bank deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, and contract assets, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has applied loss rates which are reference to the default rates from international credit rating agencies, adjusted for forward-looking factors specific to the debtors and the economic environment.

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

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

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

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

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

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

(ii) Definition of default

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

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

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

(iii) Credit-impaired financial assets

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of ECL (continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated profit or loss.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities (including trade and other payables, lease liabilities and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group companies after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, excluding bank deposits that are subject to contractual restrictions that result in such balances no longer meeting the definition of cash.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Provisions (continued)

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Foreign currency transactions and translation

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in RMB, while the functional currency of the Company is Hong Kong Dollars ("**HK$**"). As the Group mainly operates in the PRC, RMB is used as the presentation currency for the consolidated financial statements.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the consolidated profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group's management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following critical accounting judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.:

(i) Contracts for provision of integrated services of sound and communication systems

Revenues from integrated services of sound and communication systems are recognised over time which considered the work performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Such contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets at the customers' sites, where the customer is able to specify the major structural elements of the design and directing the assets to be installed or constructed. Where the outcome of a contract work can be estimated reliably, revenue and costs are recognised by reference to the progress towards complete satisfaction of performance obligation at the end of the reporting period.

Progress towards complete satisfaction of performance obligation is measured based on the output method which recognises revenue on the basis of direct measurements of the value to the customer of the services transferred to date (i.e. surveys of work performed to date with reference to customers' confirmation, i.e. customer certificate) relative to the estimated total contract revenue.

As at 30 June 2026, the carrying amount of contract assets and contract liabilities are approximately RMB3,414,000 and RMB11,692,000 (2025: approximately RMB2,275,000 and RMB6,021,000), respectively. Details are disclosed in Note 17.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical accounting judgements (continued)

(ii) Revenue recognition for sale of consumer products

Revenue from the sale of goods is recognised when control of goods is transferred to customers. In addition, the Group assesses whether or not the Group is acting as a principal or an agent on these types of activities, the Group made assessment based on indicators of (a) who is primarily responsible for providing the goods or services; (b) who has inventory risk; and (c) who has latitude to establish prices. Based on a comprehensive assessment of all the facts and circumstances, judgement is made on an individual contract basis to determine whether revenue can be recognised during the year and whether revenue should be recognised on a gross or net basis.

Key sources of estimation uncertainty

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

i) Estimated impairment of trade receivables

The Group recognises lifetime ECL for trade receivables. When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

The Group uses a provision matrix to calculate ECL for trade receivables. The provision matrix is based on the Group's historical default rates taking into consideration reasonable and supportable forward-looking information that is available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables which are credit impaired are assessed for ECL individually.

As at 30 June 2026, the balance of the Group's ECL of trade receivables is approximately RMB2,699,000 (2025: approximately RMB2,373,000). The information about the ECL and the Group's trade and other receivables are disclosed in Notes 16 and 32(c).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

ii) Estimation of incremental borrowing rate ("IBR") on lease liabilities

The Group cannot readily determine the interest rate implicit in the leases, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available especially the Group does not enter into financing transactions. The Group estimates the IBR using observable inputs (such as similar debt financing instrument) when available and is required to make certain entity-specific estimates (such as the relevant subsidiary's stand-alone credit rating). Using inaccurate rate may induce understatement of lease liabilities when a higher IBR was used.

As at 30 June 2026, the balance of the Group's lease liabilities is approximately RMB2,809,000 (2025: approximately RMB3,714,000). The information about the Group's lease liabilities is disclosed in Note 13.

iii) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU to which goodwill has been allocated, which is the higher of the value in use and fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, a material impairment loss/further impairment loss may arise. As at 30 June 2026, the carrying amount of goodwill is approximately RMB nil (2025: approximately RMB74,000) and an impairment of approximately RMB74,000 (2025: approximately RMB902,000) was recognised in the consolidated profit or loss for the year. Details of the recoverable amount calculation are disclosed in Note 14.

iv) Net realisable value of inventories

Included in the consolidated statement of financial position at 30 June 2026 is inventories with a carrying amount of approximately RMB23,553,000 (2025: approximately RMB23,075,000), which is stated at the lower of the cost and net realisable value. The Group recognises write-down on inventories based on an assessment of the net realisable value of the inventories. Write-down is applied to the inventories where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimates, such difference will impact carrying value of the inventories and write-down on inventories charged to profit or loss in the period in which such estimate has been changed.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the consideration to which the Group expects to be entitled to from (1) sale of networking, sound and communication systems; (2) provision of integrated services of networking, sound and communication systems, includes installation and customisation of networking, sound and communication systems and technical support services; and (3) e-commerce operation. The Group's operations are mainly derived from Singapore, Malaysia and the PRC.

Information is reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews revenue by nature of revenue, i.e. (1) sale of networking, sound and communication systems; (2) provision of integrated services of networking, sound and communication systems, includes installation and customisation of networking, sound and communication systems and technical support services; and (3) e-commerce operation. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other operating segments. The Group currently has three operating segments:

(a) Sale and provision of integrated services of networking, sound and communication systems in Singapore, and Malaysia;

(b) Sale and provision of integrated services of networking, sound and communication systems in the PRC; and

(c) E-commerce operation, which mainly includes sale of consumer products on e-commerce platforms.

Segment results represent the profit earned/(loss incurred) by each segment without allocation of certain administration costs, directors' emoluments, other income, other gains, net, impairment of goodwill, finance costs and income tax expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results

For the year ended 30 June 2026

	Sale and provision of integrated services of networking, sound and communication systems in Singapore and Malaysia RMB'000	Sale and provision of integrated services of networking, sound and communication systems in the PRC RMB'000	E-commerce operation RMB'000	Total RMB'000
Gross segment revenue	62,566	12,004	22,606	97,176
Inter-segment revenue	–	–	–	–
Revenue	62,566	12,004	22,606	97,176
Timing of revenue recognition				
At a point in time	62,047	6,645	22,606	91,298
Over-time	519	5,359	–	5,878
	62,566	12,004	22,606	97,176
Segment results	7,668	(5,384)	(14,509)	(12,225)
Other income				371
Other gains, net				140
Unallocated depreciation				(435)
Unallocated expense				(6,254)
Impairment of goodwill				(74)
Finance costs				(1,073)
Income tax expense				(200)
Loss for the year				(19,750)
Segment results include:				
Provision for allowance for ECL on trade receivables	(22)	–	(310)	(332)
Write-down of inventories	–	–	(2,246)	(2,246)
Loss on disposal of property, plant and equipment	–	–	(16)	(16)
Depreciation	(1,099)	(166)	(1,700)	(2,965)

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 30 June 2025

	Sale and provision of integrated services of networking, sound and communication systems in Singapore and Malaysia RMB'000	Sale and provision of integrated services of networking, sound and communication systems in the PRC RMB'000	E-commerce operation RMB'000	Total RMB'000
Gross segment revenue	49,139	28,962	153,645	231,746
Inter-segment revenue	–	–	–	–
Revenue	49,139	28,962	153,645	231,746
Timing of revenue recognition				
At a point in time	39,360	19,915	153,645	212,920
Over-time	9,779	9,047	–	18,826
	49,139	28,962	153,645	231,746
Segment results	7,043	1,441	(12,311)	(3,827)
Other income				335
Other gains, net				–
Unallocated depreciation				(229)
Unallocated expense				(10,389)
Impairment of goodwill				(902)
Finance costs				(4,288)
Income tax expense				(310)
Loss for the year				(19,610)
Segment results include:				
Reversal of/(provision for) allowance for ECL on trade receivables	136	(1,035)	(476)	(1,375)
Write-down of inventories	–	–	(2,640)	(2,640)
Loss on disposal of property, plant and equipment	–	–	(34)	(34)
Depreciation	(938)	(5)	(2,046)	(2,989)

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

An analysis of the Group's revenue for the year is as follows:

	2026	2025
	RMB'000	RMB'000
At a point in time:		
Sale of networking, sound and communication systems	**68,692**	59,275
Sale of consumer products	**22,606**	153,645
Over-time:		
Provision of integrated services of networking, sound and communication systems	**5,878**	18,826
	97,176	231,746

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2026	2025
	RMB'000	RMB'000
Customer I^	**Note**	143,528

^ Revenue from E-commerce operation

Note: The customers contributed less than 10% of the total revenue of the Group for the year ended 30 June 2026

5. REVENUE AND SEGMENT INFORMATION (continued)

Segment assets and liabilities

	2026	2025
	RMB'000	RMB'000
Segment assets		
Sale and provision of integrated services of networking, sound and communication systems in Singapore and Malaysia	**90,510**	90,662
Sale and provision of integrated services of networking, sound and communication systems in the PRC	**16,588**	13,882
E-commerce operation	**12,287**	31,945
Total segment assets	**119,385**	136,489
Unallocated corporate assets		
– Property, plant and equipment	**210**	665
– Other receivables and deposits	**1,344**	909
– Cash and cash equivalents	**142**	169
Total assets	**121,081**	138,232
Segment liabilities		
Sale and provision of integrated services of networking, sound and communication systems in Singapore	**(11,441)**	(11,644)
Sale and provision of integrated services of networking, sound and communication systems in the PRC	**(16,494)**	(9,906)
E-commerce operation	**(37,496)**	(44,097)
Total segment liabilities	**(65,431)**	(65,647)
Unallocated corporate liabilities		
– Other payables	**(15,197)**	(7,051)
– Lease liabilities	**(317)**	(675)
– Borrowings	**(2,158)**	(2,537)
Total liabilities	**(83,103)**	(75,910)

These assets and liabilities are allocated based on the operations of the segment.

5. REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

Information by geographical location on the Group's revenue from customers and non-current assets are detailed below:

		2026 RMB'000	2025 RMB'000
a)	Revenue from external customers		
	– Singapore	**52,752**	44,184
	– The PRC	**31,344**	182,298
	– Malaysia	**13,080**	5,264
		97,176	231,746
b)	Non-current assets		
	– Singapore	**21,957**	23,254
	– The PRC	**1,759**	2,083
	– Others	**2,403**	3,713
		26,119	29,050

6. OTHER INCOME AND OTHER GAINS, NET

	2026 RMB'000	2025 RMB'000
Government grants (Note a)	**149**	59
Interest income	**165**	225
Others	**57**	51
Other income	**371**	335
Loss on early termination and modification of leases	**(96)**	–
Loss on written off of property, plant and equipment	**(16)**	(34)
Foreign exchange gain, net	**259**	19
Gain on disposal a subsidiary (Note b)	**–**	15
Others	**(7)**	–
Other gains, net	**140**	–

6. OTHER INCOME AND OTHER GAINS, NET (continued)

Notes:

(a) During the year ended 30 June 2026, government grants mainly included Singapore Government's foreign worker tax refund (2025: Singapore Government's foreign worker tax refund and government subsidy based on a vocational training plan for Internet industry introduced by Shanghai government) which amount to approximately RMB149,000 (2025: approximately RMB59,000). All incentives were granted in the form of cash payout and there were no unfulfilled conditions or contingencies relating to these grants. As at 30 June 2026, the Company have fully received the aforementioned government grants (2025: same).

(b) This amount represents gain arising from the disposal of a subsidiary named "藕丁科技 (上海) 有限公司" (the "**上海藕丁**") to an independent third party on 22 April 2025 for a consideration of RMB15,000. On the disposal date, 上海藕丁 had net liabilities of approximately RMB0.

7. FINANCE COSTS

	2026	2025
	RMB'000	RMB'000
Interest on bank and other borrowings	**965**	4,087
Interest on lease liabilities (Note 13)	**108**	201
	1,073	4,288

8. INCOME TAX EXPENSE

	2026	2025
	RMB'000	RMB'000
Current tax:		
– Singapore corporate income tax ("**CIT**")	**452**	691
– Malaysia corporate income tax ("**CIT**")	**–**	–
– The PRC Enterprise income tax ("**EIT**")	**–**	230
– Over provision in prior years	**(281)**	(609)
	171	312
Deferred tax (Note 21)	**29**	(2)
	200	310

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("**BVI**"), the Group is not subject to any income tax under these jurisdictions during the years ended 30 June 2026 and 2025.

8. INCOME TAX EXPENSE (continued)

No provision for Hong Kong Profits Tax has been recognised in the consolidated financial statements during the year ended 30 June 2026 as the Group does not have income which arises in or derived from Hong Kong (2025: Nil).

Singapore CIT is calculated at 17% (2025: 17%) of the estimated assessable profit. Singapore incorporated companies can enjoy 75% tax exemption on the first S$10,000 (equivalent to approximately RMB54,000) of normal chargeable income and a further 50% tax exemption on the next S$190,000 (equivalent to approximately RMB1,018,000) of normal chargeable income for the year of assessment 2026 (2025: Same).

Malaysia CIT is calculated at 24% (2025: 24%) of the estimated assessable profit. For Malaysian incorporated companies with paid-up capital not exceeding MYR2.5 million and gross business income not exceeding MYR50 million, preferential tax rates apply: 15% on the first MYR150,000 (equivalent to approximately RMB257,000) of chargeable income and 17% on the next MYR450,000 (equivalent to approximately RMB770,000) of chargeable income, with the remaining chargeable income taxed at 24% for the year of assessment 2026 (2025: Same).

The PRC EIT has been provided at the rate of 25% (2025: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the year ended 30 June 2026.

The income tax expense for the year can be reconciled to the loss before income tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2026	2025
	RMB'000	RMB'000
Loss before income tax	**(19,550)**	(19,300)
Tax at domestic income tax rate	**(4,610)**	(4,383)
Tax effect of expenses not deductible for tax purpose	**574**	2,440
Tax effect of tax losses not recognised	**4,876**	4,957
Effect of tax concessions and partial tax exemptions	**(359)**	(278)
Tax effect of utilisation of tax losses not previously recognised	**–**	(1,817)
Over provision in prior years	**(281)**	(609)
	200	310

9. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	2026	2025
	RMB'000	RMB'000
Auditor's remuneration	**750**	750
Expense relating to short-term and low-value leases (Note 13)	**80**	487
Depreciation of property, plant and equipment (Note (a))	**3,373**	3,218
Directors' remuneration (Note 10)	**11,490**	12,131
Other staff costs:		
– Salaries, wages and other benefits	**31,736**	32,352
– Defined contribution plans, including retirement benefits	**2,290**	2,518
– Foreign worker levy and skill development levy	**269**	763
Total staff costs (Note (b))	**45,785**	47,764
Cost of materials recognised as costs of sales/services	**46,849**	149,326
Write-down of inventories (Note (c))	**2,246**	2,640
Marketing and promotion expenses (Note (d))	**5,396**	21,211
Service fees to e-commerce platforms (Note (d))	**171**	4,859
Subcontractor costs recognised as costs of sales/services	**1,761**	4,207

Notes:

(a) No depreciation was included in costs of sales/services (2025: Nil).

(b) Staff costs of approximately RMB13,736,000 (2025: approximately RMB10,169,000) were included in costs of sales/services.

(c) Write-down of inventories were included in costs of sales/services (2025: Same).

(d) These expenses were included in selling and administrative expenses (2025: Same).

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive's emoluments

The emoluments paid or payable to the directors and chief executive of the Company (including emoluments for services as employee/directors of the group entities prior to becoming the directors of the Company) by entities comprising the Group are as follows:

	Fees RMB'000	Salaries and allowances RMB'000	Contributions to retirement benefit scheme RMB'000	Total RMB'000
Year ended 30 June 2026				
Executive directors				
Mr. Cao Chunmeng ("**Mr. Cao**") (i)	**455**	**335**	**53**	**843**
Mr. Mong Kean Yeow	**1,306**	**3,272**	**79**	**4,657**
Ms. Choon Shew Lang	**1,306**	**3,272**	**79**	**4,657**
Mr. Yuan Shuangshun (Resigned on 31 March 2026)	**269**	**–**	**112**	**381**
Mr. Han Bing	**358**	**120**	**46**	**524**
Non-executive director				
Mr. Qiu Yingming	**107**	**–**	**–**	**107**
Independent non-executive directors				
Mr. Tang Chi Wai	**107**	**–**	**–**	**107**
Mr. Zheng Xiaorong	**107**	**–**	**–**	**107**
Mr. Yan Xiaotian	**107**	**–**	**–**	**107**
	4,122	**6,999**	**369**	**11,490**
Year ended 30 June 2025				
Executive directors				
Mr. Cao Chunmeng ("**Mr. Cao**") (i)	1,451	260	56	1,767
Mr. Mong Kean Yeow	852	3,298	71	4,221
Ms. Choon Shew Lang	786	2,723	71	3,580
Mr. Yuan Shuangshun	834	–	117	951
Mr. Han Bing	1,120	–	48	1,168
Non-executive director				
Mr. Qiu Yingming	111	–	–	111
Independent non-executive directors				
Mr. Tang Chi Wai	111	–	–	111
Mr. Zheng Xiaorong	111	–	–	111
Mr. Yan Xiaotian	111	–	–	111
	5,487	6,281	363	12,131

Note:

(i) Mr. Cao acts as chairman of the Company.

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

Directors' and chief executive's emoluments (continued)

With effect from 31 March 2026, Mr. Yuan Shuangshun has resigned as an executive director.

The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

The independent non-executive directors' emoluments shown above were for their service as directors of the Company.

The non-executive director's emoluments shown above was for his service as director of the Company.

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

Five highest paid employees

Of the five individuals with the highest emoluments in the Group, two (2025: three) were directors of the Company during the year ended 30 June 2026 whose emoluments are included in the disclosures above. Details of the remuneration of the remaining three highest paid employee (2025: two) who is neither a director nor chief executive of the Company during the year ended 30 June 2026 are as follows:

	2026	2025
	RMB'000	RMB'000
Salaries and allowances	**3,210**	2,028
Contributions to retirement benefit plan	**543**	129
	3,753	2,157

The number of the five highest paid individuals, excluding the directors of the Company, whose emoluments were within the following bands presented in HK$:

	Number of employee	
	2026	2025
Emolument bands		
HK$1,000,001 to HK$1,500,000	**3**	2

During the year ended 30 June 2026, no emoluments were paid by the Group to any of the directors of the Company or the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office (2025: Same).

11. DIVIDENDS

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

12. LOSS PER SHARE

	2026 RMB'000	2025 RMB'000
Loss for the year attributable to the owners of the Company	**(16,469)**	(14,920)

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company and the weighted average number of shares in issue. Weighted average number of ordinary shares for the purpose of basic loss per share is set out below:

	2026	2025
Number of ordinary shares (Note 22)	**1,046,628,000**	1,046,628,000

The computation of diluted loss per share for the year ended 30 June 2026 did not assume the exercise of the Company's outstanding share options since it would result in a decrease in the loss per share (2025: Same). Therefore, the amount of diluted loss per share is the same as the amount of basic loss per share during the years ended 30 June 2026 and 2025.

13. PROPERTY, PLANT AND EQUIPMENT AND LEASE LIABILITIES

Property, plant and equipment

	Computers RMB'000	Office equipment RMB'000	Furniture, fixtures and fittings RMB'000	Motor vehicles RMB'000	Leasehold land and property RMB'000	Right-of-use assets RMB'000	Total RMB'000
Cost							
At 1 July 2024	797	362	1,003	1,426	26,468	5,964	36,020
Written off	(43)	-	-	-	-	(1,902)	(1,945)
Additions	44	26	143	-	-	2,414	2,627
Additions from acquisition of a subsidiary	2,404	4	37	-	-	-	2,445
Exchange realignment	87	18	54	86	1,328	8	1,581
At 30 June 2025 and 1 July 2025	3,289	410	1,237	1,512	27,796	6,484	40,728
Disposal	-	-	-	-	-	(353)	(353)
Written off	(421)	(21)	-	(532)	-	(4,071)	(5,045)
Additions	85	28	144	687	-	2,640	3,584
Exchange realignment	(61)	(20)	(42)	(90)	(1,532)	(92)	(1,837)
At 30 June 2026	**2,892**	**397**	**1,339**	**1,577**	**26,264**	**4,608**	**37,077**
Accumulated Depreciation							
At 1 July 2024	742	328	945	1,009	4,515	2,502	10,041
Depreciation for the year	288	18	59	121	475	2,257	3,218
Written off	(9)	-	-	-	-	(1,902)	(1,911)
Exchange realignment	28	16	50	60	243	7	404
At 30 June 2025 and 1 July 2025	1,049	362	1,054	1,190	5,233	2,864	11,752
Depreciation for the year	867	52	135	199	475	1,645	3,373
Disposal	–	–	-	–	-	(353)	(353)
Written off	(428)	(26)	-	(504)	-	(2,309)	(3,267)
Exchange realignment	(7)	(14)	(39)	(63)	(378)	(46)	(547)
At 30 June 2026	**1,481**	**374**	**1,150**	**822**	**5,330**	**1,801**	**10,958**
Carrying amount							
At 30 June 2026	**1,411**	**23**	**189**	**755**	**20,934**	**2,807**	**26,119**
At 30 June 2025	2,240	48	183	322	22,563	3,620	28,976

13. PROPERTY, PLANT AND EQUIPMENT AND LEASE LIABILITIES (continued)

Property, plant and equipment (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives after taking into account the residual values:

Computers	–	1 year
Office equipment	–	3 years
Furniture, fixtures and fittings	–	3 years
Motor vehicles	–	6 years
Leasehold land and property	–	Over the lease term, which is 680 months
Right-of-use assets	–	Over the lease terms, which ranges from 21 to 60 months

As at 30 June 2026, leasehold land and property were pledged to a bank for a bank borrowing (Note 20) (2025: Same).

The Group as a lessee

The Group has entered into lease contracts for various office premises used in its operations. Leases of office premises generally have lease terms between 1 and 5 years (2025: 2 and 4 years). The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include termination options which the directors of the Company considered reasonably certain not to exercise.

The Group has also entered into certain leases of office premises with lease terms of 12 months or less and leases of office equipment and dormitories with low value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

As at 30 June 2026 and 2025, lease commitments for the Group for short-term leases are as follows:

	2026	2025
	RMB'000	RMB'000
Within one year	**1,280**	326

13. PROPERTY, PLANT AND EQUIPMENT AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

The carrying amount and the movements of lease liabilities during the year are as follows:

	2026	2025
	RMB'000	RMB'000
Carrying amount at 1 July	**3,714**	3,496
New leases	**2,640**	2,414
Write-off of leases liabilities	**(1,666)**	–
Accretion of interest recognised during the year (Note 7)	**108**	201
Payments	**(1,910)**	(2,403)
Exchange realignment	**(77)**	6
Carrying amount at 30 June	**2,809**	3,714
Lease liabilities payable:		
– Within one year	**1,380**	2,106
– Within a period of more than one year but not exceeding two years	**764**	1,523
– Within a period of more than two years but not exceeding five years	**665**	85
	2,809	3,714
Less: Amounts due for settlement within twelve months from the end of the reporting period (shown under current liabilities)	**(1,380)**	(2,106)
Amounts due for settlement after twelve months from the end of the reporting period (shown under non-current liabilities)	**1,429**	1,608

13. PROPERTY, PLANT AND EQUIPMENT AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

The followings are the amounts recognised in the consolidated profit or loss:

	2026	2025
	RMB'000	RMB'000
Depreciation of right-of-use assets (as per above)	**1,645**	2,257
Interest on lease liabilities (Note 7)	**108**	201
Expense relating to short-term and low-value leases (Note 9)	**80**	487
	1,833	2,945
Within financing cash flow – fixed payments	**1,910**	2,403
Within operating cash flow – expenses relating to short-term lease	**80**	487
Total cash outflow for leases	**1,990**	2,890

14. GOODWILL

	RMB'000
At 1 July 2024	901
Additions from acquisition of subsidiary (Note)	74
Provision for impairment of goodwill	(902)
Exchange realignment	1
At 30 June 2025 and 1 July 2025	74
Provision for impairment of goodwill	(74)
Exchange realignment	–*
At 30 June 2026	**–**

* Amount less than RMB1,000

Note:

On 12 February 2025, the Group acquired 51% equity interest of an e-commerce company (Note 27(a)) with carrying amount of about RMB2,446,000 of property, plant and equipment, RMB7,000 of other receivables, RMB166,000 of cash and cash equivalents, RMB2,765,000 of trade and other payables, from an independent third party at zero consideration. The acquired company has been accounted for as subsidiary of the Group since the acquisition date. The excess of the consideration transferred and the amount of non-controlling interests in the acquirees over the fair value of the identifiable net assets acquired is recorded as goodwill.

Goodwill arose from the acquisition of subsidiaries which had been allocated to e-commerce operation business. The goodwill recognised is not expected to be deductible for the income tax purpose.

14. GOODWILL (continued)

E-commerce operation CGU

The recoverable amount of the e-commerce operation CGU as at 30 June 2026 has been determined based on a value-in-use calculation (2025: value-in-use calculation) using cash flow forecast derived from the most recent financial budgets approved by senior management based on their best estimates covering 5-year projected period. The pre-tax discount rate and terminal growth rate adopted in the forecast were 17.2% (2025: 15.2%) and 0.1% (2025: 3.0%), respectively. Management has calculated that the value-in-use of the operating subsidiaries located in the PRC and concluded that the recoverable amount is less than (2025: less than) their total carrying amount of the assets of the e-commerce operation CGU including allocated goodwill. As a result of this analysis, the management recorded an impairment charge of in the current year (2025: RMB 902,000).

15. INVENTORIES

	2026	2025
	RMB'000	RMB'000
Finished goods	**23,553**	23,075

During the year ended 30 June 2026, write-down of inventories of approximately RMB2,246,000 (2025: approximately RMB2,640,000) were made based on prevailing market conditions.

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026	2025
	RMB'000	RMB'000
Trade receivables, gross	**16,097**	18,271
Less: Allowance for ECL	**(2,699)**	(2,373)
Trade receivables, net (Note (a))	**13,398**	15,898
Deposits (Note (b))	**2,269**	2,749
Prepayments (Note (c))	**2,927**	7,222
Other receivables (Note (d))	**1,378**	1,773
	6,574	11,744
Less: amount classified as non-current – rental deposits on lease agreement expiring after one year (Note (b))	**(187)**	(144)
Current portion	**6,387**	11,600

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

As at 1 July 2024, the carrying amount of trade receivables from contracts with customers was approximately RMB22,980,000.

Notes:

(a) During the year ended 30 June 2026, the Group granted credit terms to its customers in the segment of sale and provision of integrated services of networking, sound and communication systems, typically 30-90 days (2025: 30-90 days) for the Singapore and Malaysia segment and 30-180 days (2025: 30-180 days) for the PRC segment. For the e-commerce operation, no credit term (2025: same) is granted to individual customers and relevant trading or settlement platform for online sale, while the Group generally grants credit terms ranging from 15 to 180 days (2025: 15 to 180 days) to those corporate customers with good credit records. The Group does not charge interest nor hold any collateral over these balances.

As at 30 June 2026, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB5,115,000 (2025: approximately RMB10,051,000) which are past due as at the reporting date. Out of the past due balances, approximately RMB1,270,000 (2025: approximately RMB4,535,000) has been past due 90 days or more and is not considered as in default due to having on- going relationship and no default repayment record from these customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk.

The following table details the risk profile of trade receivables with customers based on the Group's provision matrix which is derived from the ageing based on past due days.

	Not yet past due RMB'000	**Less than 30 days** RMB'000	**31-90 days** RMB'000	**91-180 days** RMB'000	**181-365 days** RMB'000	**Over 365 days** RMB'000	**Total** RMB'000
30 June 2026							
Effective ECL rate	**0%**	**2%**	**9%**	**16%**	**38%**	**100%**	
Trade receivables, gross	**8,298**	**1,954**	**2,103**	**132**	**1,878**	**1,732**	**16,097**
Lifetime ECL	**(15)**	**(31)**	**(181)**	**(22)**	**(718)**	**(1,732)**	**(2,699)**
							13,398
30 June 2025							
Effective ECL rate	0%	4%	7%	15%	37%	100%	
Trade receivables, gross	5,863	3,336	2,481	3,629	2,303	659	18,271
Lifetime ECL	(16)	(120)	(181)	(556)	(842)	(658)	(2,373)
							15,898

The ECL on trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

16. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Notes: (continued)

(a) (continued)

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

An ageing analysis of the Group's trade receivables at the end of the reporting period, net of impairment, based on invoice date is as follows:

	2026	2025
	RMB'000	RMB'000
0 – 30 days	**7,490**	9,199
31 – 90 days	**3,495**	2,481
91 – 120 days	**585**	3,629
121 – 365 days	**2,795**	2,303
Over 365 days	**1,732**	659
Less: Allowance for ECL	**(2,699)**	(2,373)
	13,398	15,898

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	2026	2025
	RMB'000	RMB'000
At beginning of year	**2,373**	992
Provision for allowance for ECL on trade receivables, net	**332**	1,375
Exchange realignment	**(6)**	6
At end of year	**2,699**	2,373

(b) As at 30 June 2026, the balances mainly included deposits paid for lease agreements in the PRC and Hong Kong and deposits paid to online platform providers to become merchants of e-shop or e-channel (2025: Same).

(c) As at 30 June 2026, prepayments mainly represented payment in advances to the e-commerce suppliers and the networking, sound and communication systems suppliers which amounted to approximately RMB1,429,000 (2025: approximately RMB4,347,000) and RMB1,498,000 (2025: approximately RMB2,875,000). Up to the date of approval of these consolidated financial statements, prepayments amounted to approximately RMB1,325,000 (2025: approximately RMB4,294,000) and RMB526,000 (2025: approximately RMB2,815,000) have been utilised by subsequent purchases made by the Group.

(d) As at 30 June 2026, the balance mainly included value-added-tax ("**VAT**") recoverable amounted to approximately RMB358,000 (2025: approximately RMB784,000).

17. CONTRACT ASSET AND CONTRACT LIABILITIES

	2026 RMB'000	2025 RMB'000
Contract assets		
Retention receivables	**3,414**	2,275
Contract liabilities		
Advance billing to customers	**11,692**	6,021

Contract assets

As at 1 July 2024, the carrying amount of contract assets was approximately RMB2,755,000.

Contract assets include retention receivables which represent monies withheld by customers of contract works that will be released after the end of warranty period of the relevant contracts, and are classified as current as they are expected to be received within the Group's normal operating cycle. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

Retention receivables increased from approximately RMB2,275,000 as at 30 June 2025 to approximately RMB 3,414,000 as at 30 June 2026, mainly because certain new projects relating to the sale and provision of integrated services of networking, sound and communication systems in the PRC reached completion during the year, and the corresponding retention monies had not yet been released by the customers as at the reporting date.

17. CONTRACT ASSET AND CONTRACT LIABILITIES (continued)

Contract liabilities

Contract liabilities are arising from sale and provision of integrated services of networking, sound and communication systems business. The Group typically receives a deposit from customers when they sign the contracts with the Group. In the opinion of the directors of the Company, contract liabilities are expected to be recognised as revenue within one year.

Movement of contract liabilities is as follows:

	2026	2025
	RMB'000	RMB'000
At beginning of year	**6,021**	4,774
Decrease in contract liabilities as a result of being recognised as revenue during the year that was included in the contract liabilities at the beginning of the year	**(6,021)**	(4,774)
Decrease in contract liabilities as a result of being recognised as revenue during the year	**(6,131)**	(7,555)
Increase in contract liabilities as a result of receipt of customer deposits during the year	**17,823**	13,576
At end of year	**11,692**	6,021

Contract liabilities increased from approximately RMB6,021,000 as at 30 June 2025 to approximately RMB 11,692,000 as at 30 June 2026, mainly attributable to advance payments received from customers in respect of newly signed contracts for the sale and provision of integrated services of networking, sound and communication systems in the PRC, for which the related services had not yet been rendered and revenue had not yet been recognised as at the reporting date.

18. PLEDGED BANK DEPOSITS, CASH AND CASH EQUIVALENTS

	2026 RMB'000	2025 RMB'000
Cash and cash equivalents (Note a)	**47,493**	55,977
Pledged bank deposits (Note b)	**530**	213

Notes:

(a) Cash and cash equivalents include bank balances which carry interest at floating rates based on daily bank deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default. As at 30 June 2026, there was approximately RMB3,076,000 (2025: approximately RMB7,010,000) denominated in RMB and deposited with banks in the PRC. RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

(b) The balances represent deposits placed to a bank in the PRC for corresponding amounts of performance guarantee granted to the Group in favour of a customer. One of the deposits amounting to approximately RMB213,000 has a maturity term of 49 months ended in December 2028, carries interest rate of 1.5% per annum and the balance will be fully released subsequently in December 2028. The other deposit amounting to approximately RMB317,000 has a maturity term of 24 months ending in December 2027, carries interest rate of 1.0% per annum and the balance will be fully released subsequently in December 2027.

19. TRADE AND OTHER PAYABLES

	2026 RMB'000	2025 RMB'000
Trade payables (Note a)	**12,981**	7,643
Other taxes payable	**537**	792
Accrued operating expenses	**10,236**	6,984
Accrued payroll costs	**6,413**	4,090
Amount due to a director of the Company (Note b)	**10,221**	4,296
	40,388	23,805

Notes:

(a) The credit period on purchases from suppliers and subcontractors is between 30 to 60 days (2025: 30 to 60 days) or payable upon delivery (2025: Same). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting date:

	2026 RMB'000	2025 RMB'000
Within 30 days	**4,448**	3,756
31 to 90 days	**1,224**	2,016
91 to 180 days	**4,145**	618
Over 180 days	**3,164**	1,253
	12,981	7,643

(b) As at 30 June 2026, the amount due to a director of the Company, Mr. Cao, which was non-trade in nature, unsecured, non-interest bearing and repayable on demand.

20. BORROWINGS

	Notes	**2026 Current RMB'000**	**2026 Non-current RMB'000**	2025 Current RMB'000	2025 Non-current RMB'000
Secured					
Bank borrowings	(a)	**12,467**	**3,800**	17,345	14,453
Total secured borrowings		**12,467**	**3,800**	17,345	14,453
Unsecured					
Bank borrowings	(b)	**1,750**	**221**	3,084	171
Other borrowings	(c)	**9,593**	**–**	3,757	2,537
Total unsecured borrowings		**11,343**	**221**	6,841	2,708
Total borrowings		**23,810**	**4,021**	24,186	17,161

The Group's borrowings at the end of reporting period were repayable as follows:

	Bank borrowings		**Other borrowings**	
	2026 RMB'000	2025 RMB'000	**2026 RMB'000**	2025 RMB'000
Within one year or on demand	**14,217**	20,429	**9,593**	3,757
More than one year, but not exceeding two years	**1,308**	10,749	**–**	2,537
More than two years, but not exceeding five years	**2,713**	3,875	**–**	–
	18,238	35,053	**9,593**	6,294

The exposure of the Group's borrowings are as follows:

	2026 RMB'000	2025 RMB'000
Fixed-rate borrowings	**27,831**	35,591
Floating-rate borrowings	**–**	5,756
	27,831	41,347

Notes:

(a) As at 30 June 2026, the balances include:

Secured bank borrowings with carrying amounts of RMB11,422,000 and RMB2,850,000 (2025: RMB11,672,000) which were interest bearing at 3.85% and 2.50% (2025: 3.85%) per annum and repayable in May 2027 and repayable by instalment and the final maturity date of the loan will be due on 24 July 2028 (2025: May 2027), respectively. These borrowings were guaranteed by Mr. Cao's spouse and a residential property of Mr. Cao (2025: Same).

20. BORROWINGS (continued)

Notes: (continued)

(a) (continued)

A secured term loan with carrying amount of approximately S$380,528 (equivalent to approximately RMB1,995,000) (2025: S$559,695 (equivalent to approximately RMB3,150,000)) which bear fixed interest rates with weighted average effective interest rate at 3.98% (2025: 2.88%) per annum. The borrowing was secured by the Group's leasehold land and property with carrying amount of approximately RMB20,934,000 (2025: RMB22,563,000) (Note 13) and corporate guarantee provided by the Company (2025: Same). The loan has a term of 15 years which is repayable by instalment and the final maturity date of the loan will be due on 11 June 2028.

As at 30 June 2025, certain secured bank borrowing with carrying amount of approximately RMB5,916,000 with interest rate of from 1.50% to 2.50% per annum and repayable within one year from drawdown date. The borrowing is guaranteed by a PRC financing guarantee company, an independent third party of the Company.

As at 30 June 2025, certain secured bank borrowings with carrying amount of RMB9,600,000 with interest rate from 2.35% to 3.80% per annum and repayable within one year from drawdown date. These borrowings are guaranteed by a director of a subsidiary of the Company.

As at 30 June 2025, certain secured bank borrowings with carrying amount of RMB1,460,000 with interest rate ranging from 1.8% to 4.83% per annum and repayable within one year from drawdown date. These borrowings are guaranteed by a director of a subsidiary of the Company.

(b) As at 30 June 2026, balance represents two (2025: two) unsecured bank borrowings which bear interest at rates of 3.8% and 9.19% (2025: 3.00% and 6.51%) per annum and repayable in August 2026 and March 2028 (2025: August 2025 and March 2028), respectively.

(c) Other borrowings as at 30 June 2026 represents six (2025: two) unsecured borrowings from certain financial institutions amounting to approximately RMB9,593,000 (2025: RMB4,538,000) which was interest bearing with interest rate ranting from 6% to 10% (2025: 6% to 8%) per annum and will be matured during July 2026 to March 2027 (2025: March 2026 and 2027).

The Group entered into a receivable transfer arrangement (the "**Arrangement**") with a financial institution in the PRC to transfer existing or future trade receivables of a customer with full recourse to the financial institution for financing purpose. In the event of default by the customer, the Group is obliged to pay the financial institution the amount in default. The proceeds of the Arrangement were included in borrowings as asset-backed financing until the trade debts were collected or the Group settled any losses suffered by the financial institution. As at 30 June 2025, carrying amount of proceeds received under the Arrangement is amounting to approximately RMB1,756,000 which bear interest at a range from 8.5% to 9.0% per annum. As at 30 June 2025, the amount of existing or future trade receivables pledged under the Arrangement is amounting to approximately RMB1,756,000 and repayable in September 2025.

21. DEFERRED TAX LIABILITIES

	Accelerated tax depreciation RMB'000
At 1 July 2024	37
Credited to consolidated profit or loss (Note 8)	(2)
Exchange realignment	2
At 30 June 2025 and 1 July 2025	37
Credited to consolidated profit or loss (Note 8)	29
Exchange realignment	(4)
At 30 June 2026	**62**

* Amount less than RMB1,000

As at 30 June 2026, the Group had unused tax losses of approximately RMB70,553,000 (2025: RMB52,907,000) available to offset against future profits sourced in the PRC. During the current period, the Company did not utilise any previously unrecognised tax losses (2025: RMB1,817,000) (Note 8). Such unused tax losses are subject to the approval of the PRC tax authorities and can be carried forward for five years from the year when the corresponding loss was incurred. No deferred tax asset has been recognised due to unpredictability of future profit streams.

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

22. SHARE CAPITAL

	The Company		
	Number of shares	Amount HK$'000	Amount RMB'000
Ordinary shares of HK$0.01 each			
Authorised share capital:			
At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	**1,500,000,000**	**15,000**	**13,387**

	Number of shares	Amount RMB'000
Issued and paid-up:		
At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	1,046,628,000	8,999

Fully paid ordinary shares carry one vote per share and a right to dividends as and when declared by the Company.

23. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of these financial statements.

(a) Share premium

Share premium arose from the issue of shares at a price greater than the par value of the shares and can be utilised for future bonus issue.

(b) Merger reserve

Merger reserve represents the difference between the cost of acquisition pursuant to the reorganisation in 2017 and the total value of share capital of the entities acquired.

(c) Translation reserve

The translation reserves comprise all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserves are dealt with in accordance with the accounting policies set out in Note 3.

(d) Share option reserve

Cumulative expenses recognised on the granting of share options over the vesting period.

24. EQUITY-SETTLED SHARE-BASED PAYMENTS

Share Option Scheme

Pursuant to a resolution passed by the Company's shareholders at annual general meeting held on 14 December 2017, the Company adopted a share option scheme (the "**Share Option Scheme**").

Particulars of the Share Option Scheme are set out bellows:

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds any equity interest ("**Invested Entity**").

Participants of the Share Option Scheme

1) Any employee (whether full-time or part-time) of the Company, any of the subsidiaries and any Invested Entity;

2) Any director (including executive, non-executive and independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;

3) Any supplier of goods or services to any member of the Group or any Invested Entity;

4) Any customer of the Group or any Invested Entity;

5) Any consultant adviser, manager, officer or entity that provides research, development or other technological support to the Group or any Invested Entity; and

6) Or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group or any Invested Entity eligible for options under the Share Option Scheme.

24. EQUITY-SETTLED SHARE-BASED PAYMENTS (continued)

Share Option Scheme (continued)

Total number of shares available for issue under the Share Option Scheme

Under the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the 16 January 2018, being 80,000,000 Share (the "**Scheme Limit**"). Subject to the issue of a circular by the Company and the approval of the shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may renew this limit at any time to 10% of the Shares in issue (the "**New Scheme Limit**") as at the date of the approval by the shareholders in that general meeting.

Maximum entitlement of each participant under the Share Option Scheme

The maximum entitlement of each participant under the Share Option Scheme in any 12-month period up to and including the date of grant of the options must not exceed 1% of the total number of Shares in issue.

Period within which the shares must be taken up under an option

The period during which an option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

Minimum period for which an option must be held before it can be exercised

The minimum period will be determined by the Board upon the grant of an option.

Amount payable on acceptance of an option and the period within which payments shall be made

A consideration of HK$1 (approximately RMB0.93) is payable on acceptance of the offer of grant of an option where the grantee should accept or decline the offer of grant of an option within the date as specified in the offer letter issued by the Company, being a date no later than 21 business days from the date upon which it is made.

Basis of determining the exercise price

The exercise price of a share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the highest of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant; and (3) the nominal value of the share on the date of grant.

24. EQUITY-SETTLED SHARE-BASED PAYMENTS (continued)

Share Option Scheme (continued)

Remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date until 13 December 2027.

Details of share options granted under the Share Option Scheme are as follows:

	Share options granted on 31 December 2021 RMB'000
Number of ordinary shares issued upon exercise:	
– Directors	18,400,000
– Employees	45,900,000
– External consultants	1,000,000
	65,300,000

For the share options granted on 31 December 2021, 19,590,000 share options were exercisable immediately on the date of grant (i.e. 31 December 2021) (the "**first tranche**"); 19,590,000 share options were exercisable 1st anniversary of the date of grant (i.e. 31 December 2022) (the "**second tranche**"); 26,120,000 share options were exercisable on the 2nd anniversary of the date of grant (i.e. 31 December 2023) (the "**third tranche**").

In the event the grantee ceases to be the participants, the share options granted to the grantee shall lapse on the date which the grantee ceases to be the participant.

The Group does not have a legal or constructive obligation to repurchase or settle the options in cash.

24. EQUITY-SETTLED SHARE-BASED PAYMENTS (continued)

Share Option Scheme (continued)

Remaining life of the Share Option Scheme (continued)

Details of the movements in the number of share options granted on 31 December 2021 that were outstanding and exercisable are as follows:

Grant to	As at 1 July 2024 '000	Lapsed/ forfeited during the year '000	As at 30 June and 1 July 2025 '000	Lapsed/ forfeited during the year '000	As at 30 June 2026 '000
Directors	17,600	–	17,600	(8,000)	**9,600**
Employees	35,700	(1,200)	34,500	(1,100)	**33,400**
External consultants	1,000	–	1,000	–	**1,000**
	54,300	(1,200)	53,100	(9,100)	**44,000**

At 30 June 2026, the weighted average remaining contractual life of these outstanding share options was approximately 0.5 years (2025: 1.5 years), with a weighted average exercise price of HK$0.50 (equivalent to RMB0.41 (2025: HK$0.50 (equivalent to RMB0.41)) per share option. At 30 June 2026, the number of exercisable share options was 44,000,000 (2025: 53,100,000). The weighted average share price per share from the date of the share options granted to 30 June 2026 was HK$0.14 (equivalent to RMB0.12) (2025: HK$0.17 (equivalent to RMB0.15)).

9,100,000 (2025: 1,200,000) share options of the employees and directors were lapsed due to termination of employment during the year ended 30 June 2026. As a result, share option reserve of approximately RMB1,136,000 (2025: RMB165,000) was reclassified to accumulated losses during the year ended 30 June 2026.

As of the date of this report, no share options were exercised.

24. EQUITY-SETTLED SHARE-BASED PAYMENTS (continued)

Share Option Scheme (continued)

Exercisable at the end of the year

During the year, no share option has been granted.

The fair values of employee services received in return for share options granted are measured by reference to the fair value of share options granted.

Certain external consultants were engaged to advise on legal advisory and the business expansion through strategic development in e-commerce, etc. In the opinion of the directors of the Company, the fair value of services cannot be measured reliably and the Group should measure the services rendered the external consultants by reference to the fair value of share options granted.

The Group granted 1,000,000 share options to external consultants on 31 December 2021. The options will entitle the grantee to subscribe for a total of 1,000,000 new shares at an exercise price of HK$0.50 (equivalent to RMB0.41) per share.

The expected volatility reflects the assumption that the historical volatility of future trends, adjusted for any expected changes to future volatility based on publicly available information, which may also not necessarily be the actual outcome. No other feature of the options was incorporated into the measurement of the fair value.

During the year ended 30 June 2026, there was no (2025: no) share-based payment expense for the share option scheme recognised in the consolidated profit or loss with a corresponding credit in share option reserve.

None of the share options were exercised during the years ended 30 June 2026 and 2025. At the time when the share options are subsequently exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium.

25. RETIREMENT BENEFIT PLAN

As prescribed by the Central Provident Fund ("**CPF**") Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the CPF scheme. For the years ended 30 June 2026 and 2025, the Group contributes up to 17% of the eligible employees' salaries to the CPF scheme, with each employee's qualifying salary capped at S$6,000 (equivalent to approximately RMB33,000) per month. The Group has no further legal or constructive obligation for post-retirement benefits beyond the contributions made.

The total costs charged to the consolidated profit or loss amounting to approximately RMB710,000 (2025: RMB683,000) for the year ended 30 June 2026 represent contributions paid to the retirement benefits scheme by the Group in Singapore.

The Group companies in the PRC contribute funds, based on certain percentage of the salaries of the employees, to a defined contribution retirement benefit plan organised by relevant government authorities in the PRC on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further legal or constructive obligation for post-retirement benefits beyond the contributions made.

The total costs charged to consolidated profit or loss amounting to approximately RMB1,536,000 (2025: approximately RMB1,835,000) for the year ended 30 June 2026 represent contributions paid to the defined contribution retirement benefit plan by the Group in the PRC.

The Group also participates in the Employees' Provident Fund in Malaysia and Mandatory Provident Fund in Hong Kong, which are defined contribution retirement plans, when employees have rendered service entitling them to the contributions.

The total costs charged to the consolidated profit or loss amounting to approximately RMB260,000 (2025: approximately RMB296,000) and RMB153,000 (2025: approximately RMB67,000) for the year ended 30 June 2026 represent contributions paid to the retirement benefits scheme by the Group in Hong Kong and Malaysia, respectively.

26. RELATED PARTY TRANSACTIONS

Related parties refer to entities in which directors of the Group and his/her spouse have beneficial interest in. Save as disclosed elsewhere to the consolidated financial statements, the Group has the following transactions with related parties.

Compensation of key management personnel

The remuneration of directors and other members of key management during the years presented were as follows:

	2026	2025
	RMB'000	RMB'000
Short term benefits	**12,887**	17,749
Post-employment benefits	**370**	699
Total compensation	**13,257**	18,448

27. PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 30 June 2026 are set out below.

Name of subsidiary	**Place of incorporation/ operation**	**Registered/ Issued capital**	**Effective interest and voting rights held**		**Principal activities**
			2026	2025	
Directly held:					
Holy Ark Limited	The BVI	1,050 ordinary shares of United States Dollars ("**US$**") 1,050	**100%**	100%	Investment holding
Guo Du Industrial Limited	The BVI	100 ordinary shares of US$100	**100%**	100%	Investment holding
Indirectly held:					
ISPL Pte. Ltd.	Singapore	525 ordinary shares of RMB525,000	**100%**	100%	Sale of sound and communication systems, provision of integrated services of sound and communication systems
ISPL Sdn. Bhd.	Malaysia	50,000 ordinary shares of Malaysian ringgit ("**MYR**") 50,000	**100%**	100%	Sale of sound and communication systems, provision of integrated services of sound and communication systems
ISPL Limited	Hong Kong	1 ordinary share of HK$1	**100%**	100%	Investment holding

27. PARTICULARS OF SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ operation	Registered/ Issued capital	Effective interest and voting rights held 2026	2025	Principal activities
ISPL Company Limited	Vietnam	Registered capital of USD20,000	**100%**	100%	Sale and provision of integrated services of networking systems
上海蒙莊信息技術有限公司	The PRC	Registered capital of RMB1,000,000	**100%**	100%	Dormant
Haohui Industry Limited	Hong Kong	1 ordinary share of HK$1	**100%**	100%	E-commerce operation
灝輝 (深圳) 商業顧問有限公司	The PRC	Registered capital of HK$80,000,000	**100%**	100%	Investment holding
中網雲鏈 (深圳) 科技有限公司 (formerly known as 團多多 (深圳) 網絡科技有限公司)	The PRC	Registered capital of RMB10,000,000	**100%**	100%	E-commerce operation
北京嘉信灝輝網絡科技有限公司	The PRC	Registered capital of RMB5,000,000	**100%**	100%	E-commerce operation
上海有格限洛公博司森供應鏈管理愛思普 (北京) 信息科技有限公司	The PRC	Registered capital of RMB2,000,000	**100%**	100%	E-commerce operation
愛思普 (北京) 信息科技有限公司	The PRC	Registered capital of RMB6,000,000	**100%**	100%	E-commerce operation
中網雲鏈 (北京) 科技有限公司	The PRC	Registered capital of RMB30,000,000	**100%**	100%	Sale and provision of integrated services of networking systems
Easy Success International Holdings Limited	The BVI	1,000 ordinary shares of US$1,000	**55%**	55%	Investment holding
Global Sourcing Holding Limited	Hong Kong	10,000 ordinary shares of HK$10,000	**55%**	55%	E-commerce operation
北京里奧貝通科技有限公司	The PRC	Registered capital of RMB5,000,000	**55%**	55%	E-commerce operation
Express Triumph Limited	Hong Kong	10,000 ordinary shares of HK$10,000	**55%**	55%	E-commerce operation
Haojia Enterprise Limited[d]	The BVI	1,000 ordinary shares of US$1,000	**100%**	100%	Investment holding
Haojia Development Limited	Hong Kong	10,000 ordinary shares of HK$10,000	**100%**	100%	Investment holding

27. PARTICULARS OF SUBSIDIARIES (continued)

Name of subsidiary	Place of incorporation/ operation	Registered/ Issued capital	Effective interest and voting rights held 2026	2025	Principal activities
北京灞成科技有限公司	The PRC	Registered capital of RMB2,000,000	**100%**	100%	Investment holding
北京趕挑科技有限公司	The PRC	Registered capital of RMB2,000,000	**100%**	100%	E-commerce operation
北京灞夢科技有限公司	The PRC	Registered capital of RMB1,000,000	**55%**	55%	E-commerce operation
北京眾聯智匯科技有限公司(Note 33)	The PRC	Registered capital of RMB6,000,000	**55%**	55%	E-commerce operation
GOOD NET SDN.BHD. (a)	Malaysia	50,000 ordinary shares of MYR50,000	**51%**	51%	E-commerce operation
KLDD TRADING SDN.BHD. (b)	Malaysia	10,000 ordinary shares of MYR10,000	**51%**	51%	E-commerce operation
IDC SUPPLY SDN.BHD.(c)	Malaysia	5,000 ordinary shares of MYR5,000	**51%**	N/A	E-commerce operation

Notes:

(a) This subsidiary was acquired from an independent third party during the year ended 30 June 2025 (Note14).

(b) This subsidiary was incorporated during the year ended 30 June 2025.

(c) This subsidiary was acquired from an independent third party during the year ended 30 June 2026:

On 26 September 2025, the Group acquired the e-commerce company with net assets of nil, from an independent third party during the current year at nil consideration. The acquired company has been accounted for as subsidiary of the Group since the acquisition date. The consideration transferred, the amount of non-controlling interests in the acquirees and the fair value of the identifiable net assets acquired are all nil, so no goodwill or loss on acquisition of a subsidiary was recognised during the year ended 30 June 2026.

(d) During the year ended 30 June 2025, the Group acquired further 40% equity interest in these subsidiaries from the non-controlling interests at a consideration of RMB0.After this acquisition, these subsidiaries are wholly owned by the Group and the on the acquisition, an amount of RMB3,463,000 were reallocated from non-controlling interests to accumulated losses.

None of the subsidiaries had issued any debt securities as at 30 June 2026 and 2025.

28. NON-CONTROLLING INTEREST

Material non-controlling interests

北京里奥貝通科技有限公司 has non-controlling interests of 45% that are material to the Group as at 30 June 2026 and 2025. The non-controlling interests in respect of the remaining subsidiaries are not material to the Group individually.

The financial information of 北京里奥貝通科技有限公司 before inter-company eliminations is set out below:

	As at 30 June	
	2026	2025
	RMB'000	RMB'000
Summarised statement of financial position		
Current assets	**13,239**	22,247
Current liabilities	**(35,034)**	(38,598)
Net current liabilities	**(21,795)**	(16,351)
Non-current assets	**–**	1
Non-current liabilities	**(2,783)**	(2,850)
Net non-current liabilities	**(2,783)**	(2,849)
Net liabilities	**(24,578)**	(19,200)
Accumulated non-controlling interests of the Group	**(11,060)**	(8,640)

	For the year ended 30 June	
	2026	2025
	RMB'000	RMB'000
Summarised statements of comprehensive income		
Revenue	**1,481**	126,000
Loss for the year	**(5,377)**	(8,085)
Total comprehensive loss	**(5,377)**	(8,085)
Loss allocated to non-controlling interests of the Group	**(2,420)**	(3,639)
Summarised statements of cash flows		
Cash flows generated from operating activities	**9,721**	36,496
Cash generated from investing activities	**–**	2,850
Cash flows used in financing activities	**(8,116)**	(38,431)
Net (decrease)/increase in cash and cash equivalents	**(1,605)**	915

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES AND MAJOR NON-CASH TRANSACTIONS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Borrowings RMB'000 (Note 20)	Lease liabilities RMB'000 (Note 13)	Amount due to a director of the Company RMB'000 (Note 19)
At 1 July 2024	78,226	3,496	–
Changes from financing cash flows:	–	–	–
Repayment of bank and other borrowings	(213,688)	–	–
Repayment of leases liabilities – principal	–	(2,202)	–
Repayment of leases liabilities – interest	–	(201)	–
Proceeds from bank and other borrowings	176,809	–	–
Interest paid on bank and other borrowings	(4,087)	–	–
Advance from a director of the Company	–	–	(4,296)
Total changes from financing cash flows	(40,996)	(2,403)	4,296
Other changes:			
Interest on lease liabilities (Note 7)	–	201	–
Interest on bank and other borrowings (Note 7)	4,087	–	–
Addition of lease liabilities	–	2,414	–
Exchange realignment	–	6	–
Total other changes	4,087	2,621	–
At 30 June 2025	41,347	3,714	4,296

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES AND MAJOR NON-CASH TRANSACTIONS (continued)

(a) Reconciliation of liabilities arising from financing activities (continued)

	Borrowings RMB'000 (Note 20)	Lease liabilities RMB'000 (Note 13)	Amount due to a director of the Company RMB'000 (Note 19)
At 1 July 2025	41,347	3,714	4,296
Changes from financing cash flows:			
Repayment of bank and other borrowings	(21,420)	–	–
Repayment of leases liabilities - principal	–	(1,802)	–
Repayment of leases liabilities - interest	–	(108)	–
Proceeds from bank and other borrowings	7,904	–	–
Interest paid on bank and other borrowings	(965)	–	–
Advance from a director of the Company	–	–	5,925
Total changes from financing cash flows	(14,481)	(1,910)	5,925
Other changes:			
Interest on lease liabilities (Note 7)	–	108	–
Interest on bank and other borrowings (Note 7)	965	–	–
Addition of lease liabilities	–	2,640	–
Written-off of lease liabilities	–	(1,666)	–
Exchange realignment	–	(77)	–
Total other changes	965	1,005	–
At 30 June 2026	27,831	2,809	10,221

(b) Major non-cash transactions

During the year ended June 30, 2025, the Group terminated its business partnership with a supplier, and returned the remaining inventories with carrying amount of approximately RMB18,290,000. This transaction was settled on a non-cash basis through a corresponding reduction in both of inventories and trade payables within the Group's consolidated financial statements.

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2026 RMB'000	2025 RMB'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	**210**	665
Investments in subsidiaries	**31,727**	33,468
Amounts due from subsidiaries	**22,232**	38,083
Non-current deposits	**136**	144
	54,305	72,360
Current assets		
Other receivables and deposits	**635**	707
Cash and cash equivalents	**88**	70
	723	777
Current liabilities		
Other payables	**15,076**	9,595
Borrowings – current	**2,158**	–
Lease liabilities-current	**220**	443
	17,454	10,038
Net current liabilities	**(16,731)**	(9,261)
Total assets less current liabilities	**32,733**	63,099
Non-current liabilities		
Borrowings – non-current	**–**	2,536
Lease liabilities- non-current	**–**	233
	–	2,769
Net assets	**37,574**	60,330
EQUITY		
Share capital	**8,999**	8,999
Reserves	**28,575**	51,331
Total equity	**37,574**	60,330

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Share option reserve RMB'000	Currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 July 2024	116,979	7,409	7,560	(66,796)	65,152
Lapse of share option (Note 24(a))	–	(165)	–	165	–
Loss and total comprehensive loss for the year	–	–	(1,742)	(12,079)	(13,821)
At 30 June 2025 and 1 July 2025	116,979	7,244	5,818	(78,710)	51,331
Lapse of share option (Note 24(a))	–	(1,136)	–	1,136	–
(Loss) and total comprehensive income/(loss) for the year	–	–	(4,362)	(18,394)	(22,756)
At 30 June 2026	**116,979**	**6,108**	**1,456**	**(95,968)**	**28,575**

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the reporting period.

The capital structure of the Group consists of debt, which includes lease liabilities and borrowings as disclosed in Notes 13 and 20, net of bank balances and cash and equity attributable to the owners of the Group, comprising share capital and reserves.

The management of the Group reviews the capital structure from time to time. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2026 RMB'000	2025 RMB'000
Financial assets at amortised cost		
Trade receivables	**13,398**	15,898
Other receivables and deposits (Note (a))	**3,289**	3,738
Pledged bank deposits, bank balances and cash	**48,023**	56,190
	64,710	75,826
Financial liabilities at amortised cost		
Trade and other payables (Note (b))	**39,851**	23,013
Borrowings	**27,831**	41,347
	67,682	64,360

Notes:

(a) The amount excludes VAT recoverable and prepayments.

(b) The amount excludes other taxes payable.

Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables and deposits, pledged bank deposits, bank balances and cash, trade and other payables, lease liabilities and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interests earned on bank balances and incurred on borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate deposits.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(a) Market risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to variable interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis represents management's assessment of the reasonably possible change in interest rates.

Variable-rate borrowings

If interest rates of the variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2026 would increase/decrease by RMB Nil (2025: RMB22,000).

Variable-rate bank balances

If interest rates of variable-rate bank balances had been 10 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 30 June 2026 would decrease/increase by approximately RMB37,000 (2025: RMB43,000).

(b) Currency risk

Certain bank balances (Note 18) and certain trade and other payables (Note 19) are denominated in US$ or HK$ other than the functional currency of respective group entities, which expose the Group to foreign currency risk.

The Group manages the risk by closely monitoring the movement of the foreign currency rate.

At the end of the reporting period, the carrying amounts of the Group's monetary assets and monetary liabilities denominated in foreign currencies are as follows:

	2026 (RMB'000)		2025 (RMB'000)	
	US$	**HK$**	US$	HK$
Bank balances	**1,055**	**231**	4,724	469
Trade payables	**(3,314)**	**–**	(1,402)	(40)
Other payables	**–**	**(1,877)**	–	(1,378)
Overall net exposure	**(2,259)**	**(1,646)**	3,322	(949)

The following table demonstrates the sensitivity at the end of the reporting period to reasonably possible changes in the RMB exchange rates, with all other variables held constant, of the Group's loss for the year and the Company's equity.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(b) Currency risk (continued)

	2026 RMB'000	2025 RMB'000
5% appreciation in RMB against		
– US$	**(113)**	166
– HK$	**(82)**	(47)
5% depreciation in RMB against		
– US$	**113**	(166)
– HK$	**82**	47

In the management's opinion, the sensitivity analysis above is unrepresentative for the currency risk as the exposure at the end of reporting period does not reflect the exposure during the year.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

The Group monitored the receivable balances in an ongoing basis and the Group's exposure to bad debts is not significant.

The directors of the Company consider that the credit risk on liquid funds is low as counterparties are banks with good reputation.

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts and sufficient allowance on doubtful debts are provide for on timely manner. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

At the end of the reporting period, 13% (2025: 39%) and 34% (2025: 60%) of the gross trade receivables was due from the Group's largest customers and the five largest customers which exposed the Group to certain concentration of credit risk.

Those five largest customers are with good creditworthiness based on historical settlement record and with strong financial background. In order to minimise the concentration of credit risk, the management has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made for irrecoverable amount. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

Other than the credit risk on bank deposits and balances and on trade receivables from top 5 customers as disclosed above, the Group has no other significant concentration of credit risk on other receivables, with exposure spread over a number of counterparties.

In order to minimise credit risk, the Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its settlement records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets. The Group's current credit risk grading framework comprises the following categories:

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

Category	Description	Basis for recognising expected credit losses (ECL)	
		Trade nature	Non-trade nature
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL – not credit-impaired	12-month ECL – not credit-impaired
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery.	Amount is written off	Amount is written off

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

The table below details the credit quality of the Group's financial assets and contract assets as well as maximum exposure to credit risk by credit risk rating grades:

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
At 30 June 2026						
Trade receivables	**16**	**Performing (Note (i))**	**Lifetime ECL (Simplified approach)**	**16,097**	**(2,699)**	**13,398**
Deposits	**16**	**Performing (Note (ii))**	**12-month ECL**	**2,269**	**–**	**2,269**
Other receivables (excluding VAT recoverable)	**16**	**Performing (Note (ii))**	**12-month ECL**	**1,020**	**–**	**1,020**
Contract assets	**17**	**Performing (Note (i))**	**Lifetime ECL (Simplified approach)**	**3,414**	**–**	**3,414**
Pledged bank deposits, bank balances and cash	**18**	**Performing**	**12-month ECL**	**48,023**	**–**	**48,023**
				70,823	**(2,699)**	**68,124**
At 30 June 2025						
Trade receivables	16	Performing (Note (i))	Lifetime ECL (Simplified approach)	18,271	(2,373)	15,898
Deposits	16	Performing (Note (ii))	12-month ECL	2,749	–	2,749
Other receivables (excluding VAT recoverable)	16	Performing (Note (ii))	12-month ECL	989	–	989
Contract assets	17	Performing (Note (i))	Lifetime ECL (Simplified approach)	2,275	–	2,275
Pledged bank deposits, bank balances and cash	18	Performing	12-month ECL	56,190	–	56,190
				80,474	(2,373)	78,101

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(c) Credit risk (continued)

Notes:

(i) For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Note 16 includes further details on the loss allowance for the trade receivables. For contract assets, management has performed lifetime ECL assessment, relevant customers are primarily public-sector state-owned entities with strong credit standing and there has been no historical irrecoverable retention and related ECL is clearly immaterial. Therefore, management considers that there is no loss allowance required as at 30 June 2026 and 2025.

(ii) For other receivables and deposits, the Group has measured on 12-month ECL basis unless there had been significant increase in credit risk since initial recognition. The Group has assessed that there is no significant increase of credit risk for other receivables and deposits and the ECL for other receivables and deposits are insignificant and thus no loss allowance is recognised.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flow.

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial risk management objectives and policies (continued)

(d) Liquidity risk (continued)

The Group

	Weighted average effective interest %	On demand or within 3 months RMB'000	3 to 6 months RMB'000	6 to 12 months RMB'000	1 to 5 years RMB'000	Total undiscounted cash flow RMB'000	Carrying amount RMB'000
As at 30 June 2026							
Non-interest bearing							
Trade and other payables	**N/A**	**32,542**	**4,145**	**3,164**	**–**	**39,851**	**39,851**
Interest bearing							
Lease liabilities	**5.41**	**488**	**488**	**501**	**1,505**	**2,982**	**2,809**
Borrowings	**4.86**	**4,682**	**3,233**	**11,942**	**8,913**	**28,770**	**27,831**
		37,712	**7,866**	**15,607**	**10,418**	**71,603**	**70,491**
As at 30 June 2025							
Non-interest bearing							
Trade and other payables	N/A	21,142	618	1,253	–	23,013	23,013
Interest bearing							
Lease liabilities	5.44	582	582	1,082	1,642	3,888	3,714
Borrowings	4.11	13,565	1,637	5,161	23,750	44,113	41,347
		35,289	2,837	7,496	25,392	71,014	68,074

(e) Fair value

As at 30 June 2026 and 2025, all financial instruments measured at amortised costs are carried at amounts not materially different from their fair value.

33. EVENTS AFTER THE REPORTING DATE

On 13 July 2026, 北京里奥貝通科技有限公司 (the "**Vendor**"), an indirect 55%-owned subsidiary of the Group and an independent third party (the "**Purchaser**") entered into a Sale and Purchase Agreement, pursuant to which, among other things, the Vendor agreed to sell, and the Purchaser agreed to acquire the entire equity interest of 北京眾聯智匯科技有限公司 (the "**Disposal Target**"), a direct wholly-owned subsidiary of the Vendor, at considerations of RMB52,000.

Upon completion of this transaction, 51% of the equity interest of the Disposal Target would be held by the Purchaser, and the Group's effective interest in the Disposal Target would be reduced from 55% to 49%. On 24 August 2026, upon the completion of the transaction, the Group lost control over the Disposal Target given that the independent third party holds majority voting rights, and the Group recognised gain on disposal of a subsidiary amounting to approximately RMB35,000 in the profit and loss. As the Group retains significant influence over the Disposal Target subsequent to the disposal, the Disposal Target is classified as an associate of the Group.

SUMMARY FINANCIAL INFORMATION

	2026	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Restated)
Revenue	**97,176**	231,746	218,611	209,807	95,469
Costs of sales/services	**(67,936)**	(164,291)	(143,607)	(155,686)	(75,066)
Gross profit	**29,240**	67,455	75,004	54,121	20,403
Other income	**371**	335	176	1,383	757
Selling and administrative expenses	**(47,822)**	(80,525)	(100,975)	(78,024)	(40,773)
Other losses, net	**(266)**	(2,277)	(546)	(2,091)	(1,753)
Finance costs	**(1,073)**	(4,288)	(4,196)	(2,998)	(1,078)
Loss before income tax	**(19,550)**	(19,300)	(30,537)	(27,609)	(22,444)
Income tax expense	**(200)**	(310)	(1,029)	(901)	(1,833)
Loss for the year	**(19,750)**	(19,610)	(31,566)	(28,510)	(24,277)
Other comprehensive (loss)/income					
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	**(4,595)**	4,071	(191)	6,706	708
Other comprehensive (loss)/income for the year, net of income tax	**(4,595)**	4,071	(191)	6,706	708
Total comprehensive loss for the year	**(24,345)**	(15,539)	(31,757)	(21,804)	(23,569)
ASSETS					
Non-current assets					
Property, plant and equipment	**26,119**	28,976	25,979	30,889	30,441
Goodwill	**–**	74	901	901	899
Pledged bank deposits	**187**	213	–	–	–
Deposits	**530**	144	–	51	418
Total non-current assets	**26,836**	29,407	26,880	31,841	31,758
Current assets					
Inventories	**23,553**	23,075	61,932	89,697	39,577
Trade receivables	**13,398**	15,898	22,980	16,287	36,772
Other receivables, deposits and prepayments	**6,387**	11,600	27,663	22,086	19,782
Contract assets	**3,414**	2,275	2,755	3,149	407
Pledged bank deposits, bank balances and cash	**47,493**	55,977	44,053	46,097	41,707
Total current assets	**94,245**	108,825	159,383	177,316	138,245
Total assets	**121,081**	138,232	186,263	209,157	170,003

SUMMARY FINANCIAL INFORMATION

	2026	2025	2024	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Restated)
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	**40,388**	23,805	20,584	28,742	33,560
Contract liabilities	**11,692**	6,021	4,774	13,618	1,094
Lease liabilities	**1,380**	2,106	1,557	2,993	3,343
Borrowings	**23,810**	24,186	60,613	59,378	24,375
Income tax payable	**321**	986	1,214	929	1,873
Total current liabilities	**77,591**	57,104	88,742	105,660	64,245
Non-current liabilities					
Lease liabilities	**1,429**	1,608	1,939	4,677	6,295
Borrowings	**4,021**	17,161	17,613	21,309	4,345
Deferred tax liabilities	**62**	37	37	41	46
Total non-current liabilities	**5,512**	18,806	19,589	26,027	10,686
Equity					
Share capital	**8,999**	8,999	8,999	7,665	7,455
Reserves	**42,373**	63,442	77,839	72,071	88,342
Total equity attributable to the owners of the Company	**51,372**	72,441	86,838	79,736	95,797
Non-controlling interest	**(13,394)**	(10,119)	(8,906)	(2,266)	(725)
Total equity	**37,978**	62,322	77,932	77,470	95,072
Total liabilities and equity	**121,081**	138,232	186,263	209,157	170,003