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CROSSTEC Group Holdings Limited
易緯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3893)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 30 JUNE 2025

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of CROSSTEC Group Holdings Limited (the “**Company**”) announces the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2025 (the “**Year**”), together with the comparative figures for the year ended 30 June 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended	
		30 June	
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	55,409	73,811
Direct costs		<u>(45,908)</u>	<u>(59,047)</u>
Gross profit		9,501	14,764
Other income	4	316	225
Other gains and losses, net	4	511	7,236
Decrease in fair value of investment property		–	(1,230)
Impairment losses on property, plant and equipment and right-of-use assets		(3,695)	(591)
Impairment losses under expected credit loss model, net		(965)	(3,035)
Administrative expenses		(22,069)	(21,244)
Finance costs	5	<u>(11,498)</u>	<u>(9,169)</u>
Loss before income tax	6	(27,899)	(13,044)
Income tax expense	7	<u>(312)</u>	<u>–</u>
Loss for the year and attributable to the owners of the Company		(28,211)	(13,044)
<i>Other comprehensive income (expense)</i>			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		<u>927</u>	<u>(1,305)</u>
Other comprehensive income (expense) for the year		<u>927</u>	<u>(1,305)</u>
Total comprehensive expense for the year and attributable to the owners of the Company		<u>(27,284)</u>	<u>(14,349)</u>
Loss per share			
Basic and diluted (HK cents)	8	<u>(16.82)</u>	<u>(9.74)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		4,960	6,271
Right-of-use assets		–	–
Investment property		–	–
Intangible asset		3,133	3,916
Deposits		373	123
		8,466	10,310
Current assets			
Trade and other receivables	10	14,563	11,462
Contract assets		34,245	24,875
Income tax recoverable		201	201
Cash and cash equivalents		9,718	16,765
		58,727	53,303
Total assets		67,193	63,613
Current liabilities			
Trade and other payables	11	40,609	20,710
Contract liabilities		3,556	2,578
Lease liabilities		993	538
Other borrowings	12	50,000	48,450
Shareholder's loan	12	30,000	–
Tax payable		312	–
		125,470	72,276
Net current liabilities		(66,743)	(18,973)
Total assets less current liabilities		(58,277)	(8,663)
Non-current liabilities			
Lease liabilities		2,401	764
Other borrowings	12	5,000	5,000
Shareholder's loan	12	–	30,000
		7,401	35,764
Total liabilities		132,871	108,040
NET LIABILITIES		(65,678)	(44,427)
Capital and reserves			
Share capital	13	1,866	1,555
Reserves		(67,544)	(45,982)
CAPITAL DEFICIENCY		(65,678)	(44,427)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

CROSSTEC Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 18 March 2016, as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The headquarter and principal place of business in Hong Kong is located at Unit 1301, 13/F, Technology Plaza, 651 King’s Road, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively as the “**Group**”) are provision of integrated interior solutions services and online game integrated services. The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to nearest thousands (HK\$’000) unless otherwise stated.

2. BASIS OF PREPARATION

(a) Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

(b) Basis of measurement and going concern assumption

(i) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis at the end of each reporting period.

(ii) Going concern assumption

The Group incurred a loss of approximately HK\$28,211,000 for the year ended 30 June 2025, and as of that date, the Group had total shareholder’s loan and other borrowings amounted to approximately HK\$85,000,000, of which the current shareholders’ loan and other borrowings amounted to approximately HK\$80,000,000. Also, the Group had net current liabilities and capital deficiency of approximately HK\$66,743,000 and HK\$65,678,000 respectively. However, the Group had cash and cash equivalents of approximately HK\$9,718,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

In assessing the appropriateness of the use of the going concern basis in the preparation of the consolidated financial statements, the directors of the Company have prepared a cash flow forecast covering a period up to December 2026. The directors of the Company have given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following considerations have been taken into account in the cash flow forecast:

- The Group has entered into subscription agreements with Hexing Investment Limited (“**HIL**”) and MK Investment Group Limited (“**MKI**”) respectively, pursuant to which HIL and MKI have conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue convertible bonds in the principal amounts of HK\$57,100,000 and HK\$38,400,000 respectively, which shall be satisfied by discharging part of the payment obligation of the Company on the loans and relevant interests of HIL and MKI respectively. The subscription agreements were completed on 22 September 2025.
- The Group has a total facility line granted by its shareholder of HK\$30,000,000 based on the facility letter dated 8 August 2023. As at the approval date of these consolidated financial statements, the Group has drawn down all the loan facility amounted to HK\$30,000,000 as at 30 June 2025; and further obtained a HK\$20,000,000 facility line from the shareholder; and
- The Group will continue its efforts to enhance its operation to improve its cash flow from operations to strengthen its working capital.

Notwithstanding the above, a material uncertainty exists related to the above conditions that may cast significant doubt on the Group's ability to continue as going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. Whether the Group would be able to continue as a going concern depends upon the Group's ability to generate adequate financing and operating cash flows through (a) depending on the validity of the facility guaranteed by the shareholder; and (b) generating operating cash flows based on its forecasted revenue. The directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their net realisable amounts, to provide for liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.1 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

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

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

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and Amendments to HKFRS Accounting Standards in issue but not yet effective

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

HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
HKFRS 18	Presentation and Disclosure in Financial Statement ⁴
HKFRS 19	Subsidiaries without Public Accountability Disclosures ⁴
Amendments to HKAS 21	Lack of Exchangeability ²
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all of the new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue includes the net invoiced value of goods sold, design and project consultancy services and maintenance services rendered and contract revenue earned from the interior solutions projects by the Group and online game integrated services rendered by the Group. The amounts of each significant category of revenue recognised are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Time of revenue recognition		
Revenue – over time		
Income from interior solutions projects	49,513	61,408
Maintenance service income	18	366
Design and project consultancy service income	25	23
Online game integrated services	4,066	–
	<u>53,622</u>	<u>61,797</u>
Revenue – at a point in time		
Sales of millwork and furniture	1,787	12,014
	<u>55,409</u>	<u>73,811</u>

Segment information

Information reported to the Group's chief operating decision makers ("CODM"), for the purpose of resources allocation and performance assessment of segment performance focuses on types of goods or services delivered or provided. The Group's operating and reportable segments are: i) trading of millwork and furniture and provision of interior design, project consultancy, maintenance and interior solution services ("**Integrated Interior Solutions Services**"); and ii) provision of promotional and other supporting services of online game for the game publisher ("**Online Game Integrated Services**").

During the year ended 30 June 2025, the Group commenced the business engaging in online game integrated services, to provide promotional and other supporting services of online game for the game publishers and it is considered as a new operating and reportable segment by the CODM.

Management monitors the results of the Group's operating and reportable segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment results is evaluated based on reportable segment profit (loss), which is a measure of adjusted loss before taxation without allocation of decrease in fair value of investment property, finance costs and other corporate income as well as and corporate expenses.

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 30 June 2025

Segment revenue	Integrated Interior Solutions Services HK\$'000	Online Game Integrated Services HK\$'000	Total HK\$'000
External sales	<u>51,343</u>	<u>4,066</u>	<u>55,409</u>
Revenue			55,409
Segment result	(6,881)	224	(6,657)
Reconciliation:			
Finance costs			(11,498)
Corporate and other unallocated income			269
Corporate and other unallocated expense			<u>(10,013)</u>
Loss before taxation			<u><u>(27,899)</u></u>
Segment assets	51,883	8,881	60,764
Reconciliation:			
Corporate and unallocated assets			<u>6,429</u>
Total assets			<u><u>67,193</u></u>
Segment liabilities	(23,252)	(4,936)	(28,188)
Reconciliation:			
Other borrowings and shareholder's loan			(85,000)
Corporate and unallocated liabilities			<u>(19,683)</u>
Total liabilities			<u><u>(132,871)</u></u>
Other segment information			
Additions to non-current assets	3,219	–	3,219
Depreciation of property, plant and equipment	666	–	666
Depreciation of right-of-use assets	169	–	169
Amortisation of intangible assets	–	783	783
Impairment losses on property, plant and equipment and right-of-use assets	3,050	–	3,050
Impairment losses under expected credit loss model, net	<u>965</u>	<u>–</u>	<u>965</u>

For the year ended 30 June 2024

	Integrated Interior Solutions Services <i>HK\$'000</i>	Online Game Integrated Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
External sales	<u>73,811</u>	<u>–</u>	<u>73,811</u>
Revenue			73,811
Segment result	5,445	(930)	4,515
Reconciliation:			
Decrease in fair value of investment property			(1,230)
Finance costs			(9,169)
Corporate and other unallocated income			190
Corporate and other unallocated expense			<u>(7,350)</u>
Loss before taxation			<u><u>(13,044)</u></u>
Segment assets	48,292	3,916	52,208
Reconciliation:			
Corporate and unallocated assets			<u>11,405</u>
Total assets			<u><u>63,613</u></u>
Segment liabilities	(15,530)	(413)	(15,943)
Reconciliation:			
Other borrowings and shareholder's loan			(83,450)
Corporate and unallocated liabilities			<u>(8,647)</u>
Total liabilities			<u><u>(108,040)</u></u>
Other segment information			
Additions to non-current assets	12	–	12
Depreciation of property, plant and equipment	494	–	494
Depreciation of right-of-use assets	12	–	12
Impairment losses on property, plant and equipment and right-of-use assets	121	–	121
Impairment losses under expected credit loss model, net	<u>3,035</u>	<u>–</u>	<u>3,035</u>

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers and non-current assets other than financial instruments ("**Specified non-current assets**").

The Group comprises the following main geographical segments:

(a) Revenue from external customers by locations of customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong (place of domicile)	18,697	32,296
People's Republic of China (" PRC ") (excluding Hong Kong)	32,796	37,871
Australia	3,916	3,644
	<u>55,409</u>	<u>73,811</u>

(b) Specified non-current assets by locations of assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong (place of domicile)	4,960	6,271
PRC	3,133	3,916
	<u>8,093</u>	<u>10,187</u>

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Client A	26,541	23,008
Client B	14,588	22,412
Client C	—*	9,444
Total	<u>41,129</u>	<u>54,864</u>

* Nil revenue of the customers for the respective reporting period.

In the following table, revenue is disaggregated by primary geographical markets of customers, major products and service lines.

	Sales of millwork and furniture		Interior solutions projects		Maintenance services		Design and project consultancy services		Online game integrated services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Primary geographical markets of customers												
- Hong Kong	-	7,141	14,588	24,766	18	366	25	23	4,066	-	18,697	32,296
- Australia	-	-	3,916	3,644	-	-	-	-	-	-	3,916	3,644
- PRC (excluding Hong Kong)	1,787	4,873	31,009	32,998	-	-	-	-	-	-	32,796	37,871
	<u>1,787</u>	<u>12,014</u>	<u>49,513</u>	<u>61,408</u>	<u>18</u>	<u>366</u>	<u>25</u>	<u>23</u>	<u>4,066</u>	<u>-</u>	<u>55,409</u>	<u>73,811</u>
Total	<u>1,787</u>	<u>12,014</u>	<u>49,513</u>	<u>61,408</u>	<u>18</u>	<u>366</u>	<u>25</u>	<u>23</u>	<u>4,066</u>	<u>-</u>	<u>55,409</u>	<u>73,811</u>

4. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	2025	2024
	HK\$'000	HK\$'000
Other income		
Bank interest income	19	166
Rental income	-	24
Sundry income	297	35
	<u>316</u>	<u>225</u>
Other gains and losses, net		
Gain on early termination of lease (Note i)	606	4,645
Gain on waiver of trade payables (Note ii)	-	2,006
Exchange (loss)/gain, net	(95)	585
	<u>511</u>	<u>7,236</u>

Notes:

- (i) During the year ended 30 June 2024, the Group had early terminated the lease of office premises. The Group was not obligated to settle the remaining lease liabilities of HK\$4,561,000 to the lessor with the deposit paid of HK\$715,000 to be forfeited and provision for restoration of HK\$799,000 had been reversed.
- (ii) During the year ended 30 June 2024, the Group had reached a consent with suppliers for waiving the payables for certain construction projects.

5. FINANCE COSTS

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on other borrowings	6,925	5,112
Interest on shareholder's loan	4,500	3,890
Interest on lease liabilities	73	167
	<hr/>	<hr/>
	11,498	9,169
	<hr/> <hr/>	<hr/> <hr/>

6. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging (crediting):

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Reversal of expected loss on onerous contracts (included in direct costs)	–	(6,366)
Reversal of accrued contract costs (included in direct costs) (<i>Note</i>)	–	(5,760)
Depreciation on:		
– Property, plant and equipment	666	494
– Right-of-use assets	169	12
Amortisation of intangible asset	783	–
Auditor's remuneration	730	580
Impairment losses under expected credit loss model, net in respect of:		591
– Trade receivables	451	2,438
– Retention receivables	432	311
– Contract assets	82	286
Short-term leases expenses	–	162
Gross rental income from investment property	–	(24)
Less: Direct operating expenses arising from investment property that generated rental income during the year	–	24
Net rental income	–	–
Employee benefit expenses (including directors' and chief executive's remuneration):		
Wages and salaries	11,955	8,685
Post-employment benefits – contribution to defined contribution retirement plan,	215	161
Other benefits	1,236	2,169
	13,406	11,015

Note: As at 30 June 2023, the Group had recognised accrued contract costs based on progress of the projects. The relevant contracts were terminated under mutual agreement of relevant parties and the certain accrued contract costs were over-estimated after revision of total contract costs of the projects. Reversal of accrued contract costs was recognised during the year ended 30 June 2024 (2025: nil).

7. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 HK\$'000	2024 HK\$'000
Current tax		
– Hong Kong	41	–
– PRC Enterprise Income Tax	271	–
	<u>312</u>	<u>–</u>
Income tax expense	<u>312</u>	<u>–</u>

The Company was incorporated in the Cayman Islands and is exempted from income tax. It is not subject to tax in other jurisdictions.

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

No provision for Hong Kong profit tax has been made for the year ended 30 June 2024 as the Group did not generate any assessable profits in Hong Kong.

Income tax on assessable profits of overseas subsidiaries are calculated at the rates applicable in the respective jurisdictions.

8. LOSS PER SHARE

The calculation of the basic loss per share amount is based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares of approximately 167,706,000 (2024: 133,933,000).

The Group had no dilutive potential ordinary shares in issue during the years ended 30 June 2025 and 30 June 2024.

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

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the purpose of basic and diluted loss per share	<u>(28,211)</u>	<u>(13,044)</u>
	Number of shares	
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>Note</i>)	<u>167,706</u>	<u>133,933</u>

Note: During the year ended 30 June 2024, bonus elements arising from the rights issue at the price lower than market value had been adjusted on the determination of weighted average number of shares.

9. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 30 June 2025 (2024: Nil).

10. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade receivables (net of impairment losses allowance under expected credit loss model) by age, based on the invoice dates:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Less than 1 month	1,438	797
1 to 3 months	1,298	379
3 to 6 months	257	–
More than 6 months but less than 1 year	48	–
More than 1 year	<u>80</u>	<u>172</u>
	<u><u>3,121</u></u>	<u><u>1,348</u></u>

Trade receivables are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances. The credit period granted to trade customers is within 30 days in general and up to 60 days for provision of Integrated Interior Solutions Services and within 150 days for provision of Online Game Integrated Services upon the issue of the invoice.

11. TRADE AND OTHER PAYABLES

An ageing analysis of trade payables, based on the invoice dates, is as follows:

	2025 HK\$'000	2024 HK\$'000
Less than 1 month	–	1,433
1 to 3 months	1,087	–
3 to 6 months	820	137
More than 6 months but less than 1 year	1,648	659
More than 1 year	2,986	2,622
	<u>6,541</u>	<u>4,851</u>

The Group's trade payables are non-interest bearing and generally have payment terms of 31 to 90 days in general.

12. OTHER BORROWINGS AND SHAREHOLDER'S LOAN

	2025		2024	
	Current HK\$'000	Non-current HK\$'000	Current HK\$'000	Non-current HK\$'000
Unsecured				
Other borrowings	50,000	5,000	48,450	5,000
Shareholder's loan	30,000	–	–	30,000
	<u>80,000</u>	<u>5,000</u>	<u>48,450</u>	<u>35,000</u>

As at 30 June 2025 and 30 June 2024, total current and non-current other borrowings and shareholder's loan were scheduled to repay as follows:

	2025 HK\$'000	2024 HK\$'000
Other borrowings:		
On demand or within one year	50,000	48,450
More than one year, but not exceeding two years	–	–
More than five years	5,000	5,000
	<u>55,000</u>	<u>53,450</u>
Shareholder's loan:		
On demand or within one year	30,000	–
More than one year, but not exceeding two years	–	30,000
	<u>30,000</u>	<u>30,000</u>

13. SHARE CAPITAL

Ordinary shares of HK\$0.01 (2024: HK\$0.01) each

	Ordinary share per unit HK\$	Number of shares ('000)	HK\$'000
Authorised:			
At 1 July 2023	0.4	250,000	100,000
Capital reduction and subdivision (<i>Note (ii)</i>)	0.01	9,750,000	–
At 30 June 2024, 1 July 2024 and 30 June 2025	0.01	10,000,000	100,000
Issued and fully paid:			
At 1 July 2023	0.4	86,400	34,560
Issuance of shares on rights issue (<i>Note (i)</i>)	0.4	43,200	17,280
Capital reduction and subdivision (<i>Note (ii)</i>)	0.01	–	(50,544)
Issuance of shares, net of issuing expenses (<i>Note (iii)</i>)	0.01	25,920	259
At 30 June 2024 and 1 July 2024	0.01	155,520	1,555
Issuance of shares, net of issuing expenses (<i>Note (iv)</i>)	0.01	31,104	311
At 30 June 2025	0.01	186,624	1,866

Notes:

- (i) On 17 May 2023, the Company announced to issue an aggregate of 43,200,000 ordinary shares (the “**Rights Shares**”) upon completion of the issue and allotment of 43,200,000 Rights Shares to the valid applicants pursuant to the rights issue on the basis of one Rights Share for every two existing ordinary shares held by the qualifying Shareholders at a subscription price of HK\$0.4 per Rights Share (“**Rights Issue**”). The Rights Issue became unconditional on 17 July 2023 and were completed on 21 July 2023. The gross proceeds from the Rights Issue were approximately HK\$17,280,000 and the net proceeds were approximately HK\$16,280,000 after deducting the related expenses. The net proceeds of the Rights Issue were fully utilised as intended use to repay part of the Group’s borrowings. Further details were set out in the Company’s announcements dated 17 May 2023 and 21 July 2023 and Company’s prospectus dated 30 June 2023. These Right Shares issued rank pari passu with the existing shares in all respects.

- (ii) On 20 November 2023, the Company announced that it proposed to implement a capital reduction involving the reduction of the par value of each of the issued share of the Company from HK\$0.40 to HK\$0.01 by cancelling the paid-up capital to the extent of HK\$0.39 per issued share so that following such reduction, each issued new share will have a par value of HK\$0.01. The credit arising from the capital reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the capital reduction, thereby reducing the accumulated losses of the Company. Immediately following the capital reduction becoming effective, each authorized but unissued share of the Company will be sub-divided into forty (40) unissued new shares with a par value of HK\$0.01 each. The above capital reorganisation referred as the “**Capital reduction and subdivision**”.

Further, the board lot size for trading in the shares on the Stock Exchange was proposed to change from 4,000 shares of the Company to 12,000 new shares of the Company subject to the above Capital reduction and subdivision becoming effective.

The Capital reduction and subdivision have become effective on 21 February 2024, and the change in board lot size and the dealing in the new shares in the Stock Exchange has commenced on 21 February 2024.

Please refer to the Company’s circular dated 18 December 2023 and the Company’s announcement dated 21 February 2024 for details.

- (iii) On 22 March 2024, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent had conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six placees to subscribe for up to 25,920,000 ordinary shares with par value of HK\$0.01 each at a price of HK\$0.26 each (the “**Placing**”). The aforesaid placing was completed on 12 April 2024. The new shares rank pari passu with the existing shares in all respects. Further details were set out in the Company’s announcements dated 22 March 2024 and 12 April 2024.
- (iv) On 7 February 2025, the Company entered into the placing agreement with the placing agent pursuant to which the placing agent had conditionally agreed, as the placing agent of the Company, to procure on a best effort basis not less than six places to subscribe for up to 31,104,000 ordinary shares with par value of HK\$0.01 each at a price of HK\$0.20 each (the “**2025 Placing**”). The aforesaid placing was completed on 28 February 2025. The new shares rank pari passu with the existing shares in all respects. Further details were set out in the Company’s announcements dated 7 February 2025 and 28 February 2025.

14. EVENTS AFTER REPORTING PERIOD

Save as disclosed elsewhere in the consolidated financial statements, the Group has following significant events after reporting period:

On 2 June 2025, the Company entered into subscription agreements with HIL and MKI respectively, pursuant to which HIL and MKI have conditionally agreed to subscribe and the Company has conditionally agreed to allot and issue convertible bonds in the principal amounts of HK\$57,100,000 and HK\$38,400,000 respectively, which shall be satisfied by discharging part of the payment obligation of the Company on the loans and relevant interests of HIL and MKI respectively.

The above subscription agreements were completed on 22 September 2025.

Please refer to the Company's circular dated 8 August 2025 and the Company's announcement dated 22 September 2025 for details.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is the extract of the independent auditor’s report from the external auditor of the Company:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note in the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$28,211,000 for the year ended 30 June 2025, and as of that date, the Group had total shareholder’s loan and other borrowings amounted to approximately HK\$85,000,000 of which the current shareholder’s loan and other borrowings amounted to approximately HK\$80,000,000. Also, the Group had net current liabilities and capital deficiency of approximately HK\$66,743,000 and HK\$65,678,000 respectively. However, the Group had cash and cash equivalents of approximately HK\$9,718,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of Integrated Interior Solutions Services and Online Game Integrated Services. The Group has been conducting its business since 1999 and has been developing its business in the PRC, Australia, US, Europe, Middle East and other Asian countries.

For the Year, the Group's revenue, gross profit and net loss were approximately HK\$55.4 million (2024: approximately HK\$73.8 million), approximately HK\$9.5 million (2024: approximately HK\$14.8 million) and approximately HK\$28.2 million (2024: approximately HK\$13.0 million) respectively, representing a decrease of approximately 24.9% and 35.6%; and an increase of approximately 116.3% over the Year.

In order to stay competitive in the market, the management of the Company has put resources and emphasized on developing the local business in the PRC and Hong Kong, as well as exploring business in Australia, in the Year. In addition to maintaining good business relationship with the existing large brand customers, the Group has well established new business relationships with certain internationally recognized brands and property owners for their sizeable projects.

The increase in the consolidated net loss of the Group for the Year is mainly attributable to:

- (a) the decrease in gross profit of approximately HK\$5.3 million during the Year;
- (b) the decrease in gain on early termination of lease of approximately HK\$4.0 million during the Year;
- (c) there was a gain on waiver of trade payables of approximately HK\$2.0 million for the year ended 30 June 2024, while there was no such gain in the Year; and
- (d) the increase in finance costs of approximately HK\$2.3 million during the Year.

BUSINESS STRATEGIES AND OUTLOOK

Despite the uncertainties of the global situation, it is on the right track that the Group is putting more effort to resume the PRC and overseas business as well as strengthen the competitive advantage of the local business.

Geographically speaking, as the Group is dedicated to putting more resources and efforts on exploring the business opportunities in relation to the interior solutions projects in the PRC, Hong Kong and Australian market, very positive results have been received recently. We have established numerous business relationship with new clients who are internationally recognized brands and property owners and we have also been working closely with them for their expansion projects. Considering the huge development potential, we believe that the Group's business will be promising in the coming years.

Based on the high qualities of products and services provided by the Group, the management of the Company is confident that long-term business relationships will be built up and more projects will be undergoing in the near future.

In addition to the core business, in order to broaden the income sources, the Company has been exploring other business opportunities. In June 2024, the Group was granted a license to reproduce, distribute and publish a licensed game in the PRC for a term of five years and has commenced the gaming business in the Year. Further, the Company is still exploring the suitable business partner to co-operate in a form of strategic co-operation alliance or other possible way of development. The Company will keep the Shareholders updated and informed by way of announcement(s) as and when appropriate.

Last but not least, the Group has been making efforts to solicit potential acquisition targets which may have synergy with the existing business of the Group for its ongoing strategic growth and such strategy remains unchanged in the coming year.

REVIEW

Revenue

The Group generated revenue principally from providing five major categories of sales and services, mainly including: (i) sales of millwork and furniture (2025: approximately HK\$1.8 million; 2024: approximately HK\$12.0 million), (ii) interior solutions services (2025: approximately HK\$49.5 million; 2024: approximately HK\$61.4 million), (iii) design and project consultancy services (2025: approximately HK\$25,000; 2024: approximately HK\$23,000); (iv) maintenance services (2025: approximately HK\$18,000; 2024: approximately HK\$0.4 million) and (v) online game integrated services (2025: approximately HK\$4.1 million; 2024: Nil).

Revenue of the Group decreased by approximately 24.9% from approximately HK\$73.8 million in 2024 to approximately HK\$55.4 million in 2025. The decrease in revenue was mainly due to that fewer sizeable projects were made during the Year.

Direct costs

Direct costs of the Group primarily consisted of costs of material, subcontracting charges, labour costs, reversal of accrued contract costs and reversal of expected loss on onerous contracts. Direct costs decreased by approximately 22.3% from approximately HK\$59.0 million in 2024 to approximately HK\$45.9 million in 2025. It was mainly due to the reversal of accrued contract costs of approximately HK\$5.8 million and the reversal of expected loss on onerous contracts of approximately HK\$6.4 million during the year ended 30 June 2024.

As at 30 June 2023, the Group recognised accrued contract costs based on progress of the projects and recognised provision for onerous contracts relating to its obligation to complete an interior solution project and supply of millwork and furniture to its customers. During the year ended 30 June 2024, certain relevant contracts were terminated under mutually agreement of relevant parties, and reversal of accrued contract costs and reversal of expected loss on onerous contracts were recognised during the year ended 30 June 2024.

Gross profit and gross profit margin

The Group recorded a gross profit of approximately HK\$9.5 million in the Year with a gross profit margin of approximately 17.1% (2024: gross profit of approximately HK\$14.8 million with a gross profit margin of approximately 20.0%). It was mainly due to the reversal of accrued contract costs and the reversal of expected loss on onerous contracts mentioned above.

Other gains and losses, net

The Group early terminated leases in respect of office premises under mutual agreement with the landlord, therefore, among others, the carrying value of lease liabilities in respect of future lease payments was adjusted and gains of approximately HK\$0.6 million (2024: approximately HK\$4.6 million) was recognised under “other gains and losses, net” in the consolidated financial statements.

Administrative expenses

Administrative expenses of approximately HK\$22.1 million in the Year (2024: approximately HK\$21.2 million) mainly consisted of operating expenses such as employee benefits, marketing expenses and legal and professional fees. The administrative expenses remained stable during the Year.

Income tax expense

Income tax expense mainly represented current tax paid/payable for profits tax in Hong Kong and the PRC.

LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group derived cash inflow mainly from (i) operating activities primarily through provision of Integrated Interior Solutions Services and Online Game Integrated Services; and (ii) financing activities such as borrowings and equity fund raisings. Cash outflow from operating activities primarily comprises direct costs, administrative expenses and other operating expenses.

As at 30 June 2025, the cash and bank balances amounted to approximately HK\$9.7 million (2024: approximately HK\$16.8 million).

As at 30 June 2025 and 2024, the Group did not have any bank facilities.

In view of the Group's current level of cash and bank balances, funds generated internally from operations and the financing sources, the Board believes the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures in the coming year.

During the Year, the Group completed the 2025 Placing, please see Notes 13(iv) to the consolidated financial statements for details.

The gross proceeds from the 2025 Placing was approximately HK\$6.2 million and the net proceeds (after deduction of placing fees and other expenses of the 2025 Placing) from the 2025 Placing was approximately HK\$6,010,000, representing a net placing price of approximately HK\$0.193 per placing share. The net proceeds of the 2025 Placing were fully utilized as the intended use and approximately HK\$3,000,000 was used for the payment of subcontracting charges for the interior solutions projects of the Group and the remaining approximately HK\$3,010,000 was used for the Group's general working capital.

Borrowings and gearing ratio

As at 30 June 2025, the Group had other borrowings and shareholder's loan of approximately HK\$55.0 million and HK\$30.0 million respectively (30 June 2024: approximately HK\$53.5 million and HK\$30.0 million respectively).

The gearing ratios (calculated as bank and other borrowings divided by total equity) were negative as at 30 June 2025 and 2024 as the Group's equities were in deficit position as at these two dates.

CHARGE ON ASSETS

As at 30 June 2025 and 2024, a Company's subsidiary (which holds a building of approximately HK\$5.0 million as at 30 June 2025 and approximately HK\$6.3 million as at 30 June 2024 respectively) provided a corporate guarantee to an independent lender in respect of a borrowing of HK\$5.0 million.

CONTINGENT LIABILITIES

As at 30 June 2025 and 2024, the Group had no significant contingent liabilities.

SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any significant investment held as at 30 June 2025 nor any plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

On 19 June 2024, the Group entered into a distribution agreement, pursuant to which the licensor granted the Group an exclusive license to reproduce, distribute and publish a licensed game in the PRC for a term of five years, with a minimum guarantee of US\$500,000. Please refer to the Company's announcement dated 19 June 2024 for details.

During the Year, there was no material acquisition or disposal of subsidiaries, associated companies or joint ventures by the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 August 2016 (the "**Share Option Scheme**"). The Company had not granted any share options under the Share Option Scheme up to 30 June 2025.

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 30 June 2025, the Group had 35 employees (2024: 30 employees). Total employee benefits (including Directors' and chief executive's remuneration) were approximately HK\$13.4 million (2024: approximately HK\$11.0 million). The Group remunerates its employees based on their qualifications, performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees, including salaries, medical insurance, discretionary bonuses as well as mandatory provident fund schemes for employees in Hong Kong. Apart from basic remuneration, share options may be granted under the Share Option Scheme to eligible employees on the basis of their individual performance to attract and retain talents to contribute the Group. In order to achieve a standard and quality production of works and to develop individual's potential, the Group's employees are encouraged to attend monthly sharing sessions, lectures and training courses which related to the nature of their duties. In addition to internal trainings, the Group also encourages employees to enroll in courses organised by external organisations and institutes.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group had no material capital commitment (2024: nil).

FOREIGN EXCHANGE RISK

The Group adheres to prudent financial management principle to control and minimise financial and operational risks. The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in Thai Baht, Singapore dollars, United States dollars, Renminbi (RMB), Euro (EUR), Australian dollars (AUD) and Great Britain Pound. The management of the Company is aware of the possible exchange rate exposure due to the continuing fluctuation of RMB and AUD and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. Presently, there is no hedging policy with respect to the foreign exchange exposure.

EVENTS AFTER REPORTING PERIOD

For the events after the reporting period, please refer to note 14 in this announcement for details.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Part 2 of Appendix 14 to the Listing Rules as its own code of corporate governance.

Save as the deviation from code provision C.2.1 of the CG Code as described below, the Board considers that the Company has fully complied, to the extent applicable and permissible, with the code provisions as set out in the CG Code during the Year.

Code Provision C.2.1 requires the roles between the chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Wang Rong (“**Mr. Wang**”) assumes the roles of both the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**Chief Executive Officer**”) since 23 November 2023. In view of Mr. Wang’s extensive experience in the industry, personal profile and critical role in the Group, the Board considers that it is beneficial to the business prospects of the Group that Mr. Wang continues to act as both the Chairman and the Chief Executive Officer. The Board believes that vesting both the roles of Chairman and Chief Executive Officer in the same person has the benefit of providing a strong and consistent leadership to the Group and allows for more effective planning and management of the Group. In addition, the Board is of the view that the balanced composition of executive and the independent non-executive Directors on the Board and the various committees of the Board (primarily comprising independent non-executive Directors) in overseeing different aspects of the Company’s affairs would provide adequate safeguards to ensure a balance of power and authority. The Board will continue to review and consider splitting the roles of Chairman and Chief Executive Officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

The Company will continue to review and enhance its corporate governance practice to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors.

Having made specific enquiry, all the Directors confirmed that they have complied with the required standards set out in the Model Code during the Year. Employees who are likely to be in possession of inside information of the Company are also subject to compliance with guidelines on no less exacting terms than the Model Code.

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company’s listed securities during the Year.

SCOPE OF WORK OF RONGCHENG (HONG KONG) CPA LIMITED (FORMERLY KNOWN AS CL PARTNERS CPA LIMITED)

The figures in respect of this announcement of the Group's results for the Year have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Rongcheng (Hong Kong) CPA Limited on this announcement.

AUDIT COMMITTEE

The Company has established an audit Committee of the Company (the “**Audit Committee**”) on 22 August 2016 with written terms of reference in compliance with the Listing Rules and the CG Code. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process, risk management and internal control systems, and review of the Group's financial information. The Audit Committee comprises all three independent non-executive Directors, namely Mr. Tse Kwok Hing Henry (as committee chairman), Ms. Lee Kwai Sheung and Mr. Ma Jian. The Audit Committee has reviewed the Group's consolidated annual results for the Year and is of the opinion that the preparation of such results has complied with the applicable accounting standards and the requirements under the Listing Rules, and that adequate disclosure has been made.

DIVIDEND

The Board has resolved not to recommend the payment of any dividend for the Year (2024: Nil).

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.crosstec.com.hk) respectively. The annual report of the Company for the Year containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

The Company would like to take this opportunity to thank all our valued Shareholders and various stakeholders of the Company for their continuous support. Also, the Company would like to express its appreciation to all the staff for their efforts and commitments to the Group.

On behalf of the Board
CROSSTEC Group Holdings Limited
Wang Rong
Executive Director

Hong Kong, 30 September 2025

As at the date of this announcement, the Board comprises Mr. Wang Rong as an executive Director; and Ms. Lee Kwai Sheung, Mr. Tse Kwok Hing Henry and Mr. Ma Jian as independent non-executive Directors.