



## NEXION TECHNOLOGIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8420



Interim Report  
**2025**

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "Directors") of Nexion Technologies Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the "Group"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## RESULTS

The board of directors (the "Board") of the Company hereby announces the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures of the corresponding period in 2024, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2025*

		(Unaudited)	
		For the six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>7,953</b>	6,946
Other income	5	5	154
Cost of inventories sold		(4,002)	(3,547)
Cost of services		(69)	(1,285)
Staff costs and related expenses		(2,999)	(3,398)
Sales and marketing expenses		(18)	(11)
Depreciation and amortisation		(773)	(331)
General and administrative expenses		(1,435)	(1,958)
Finance costs	6	–	(1)
<b>Loss before income tax from continuing operations</b>	7	<b>(1,338)</b>	(3,431)
Income tax expenses	8	–	(54)

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

For the six months ended 30 June 2025

	Notes	(Unaudited) For the six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
<b>Loss for the period from continuing operations</b>		<b>(1,338)</b>	(3,485)
<b>Discontinued operation</b>			
Loss for the period from discontinued operation	16	–	(300)
<b>Loss for the period</b>		<b>(1,338)</b>	(3,785)
<b>Other comprehensive loss for the period</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising on translation of foreign operations		1,125	(554)
<b>Total comprehensive loss for the period</b>		<b>(213)</b>	(4,339)
<b>Loss for the period attributable to:</b>			
Equity holders of the Company		(1,318)	(3,569)
Non-controlling interests		(20)	(216)
		<b>(1,338)</b>	(3,785)

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

For the six months ended 30 June 2025

		<b>(Unaudited)</b>	
		<b>For the six months</b>	
		<b>ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		<b>(209)</b>	<b>(4,057)</b>
Non-controlling interests		<b>(4)</b>	<b>(282)</b>
		<b>(213)</b>	<b>(4,339)</b>
<b><u>From continuing and discontinued operations</u></b>			
<b>Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)</b>			
	<i>9</i>	<b>(0.15)</b>	<b>(0.40)</b>
<b><u>From continuing operations</u></b>			
<b>Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)</b>			
	<i>9</i>	<b>(0.15)</b>	<b>(0.37)</b>
<b><u>From discontinued operation</u></b>			
<b>Loss per share for loss attributable to equity holders of the Company, basic and diluted (HK cents)</b>			
	<i>9</i>	<b>–</b>	<b>(0.03)</b>



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
	Notes		
<b>Non-current assets</b>			
Plant and equipment	11	1,162	1,222
Right-of-use assets	12	21	6
Intangible assets	13	2,724	2,017
Goodwill	14	2,894	2,663
		<b>6,801</b>	5,908
<b>Current assets</b>			
Inventories		27	199
Trade and other receivables	15	9,806	9,008
Income tax recoverable		177	169
Bank balances and cash		6,493	10,613
		<b>16,503</b>	19,989
<b>Current liabilities</b>			
Trade and other payables	17	7,196	9,591
Lease liabilities	12	9	6
		<b>7,205</b>	9,597
<b>Net current assets</b>		<b>9,298</b>	10,392
<b>Total assets less current liabilities</b>		<b>16,099</b>	16,300

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2025

		(Unaudited) 30 June 2025 HK\$'000	(Audited) 31 December 2024 HK\$'000
	Notes		
<b>Non-current liability</b>			
Lease liabilities	12	12	–
<b>NET ASSETS</b>		<b>16,087</b>	<b>16,300</b>
<b>Capital and reserves</b>			
Share capital	18	8,878	8,878
Reserves		7,209	7,895
<b>Equity attributable to equity holders of the Company</b>		<b>16,087</b>	<b>16,773</b>
Non-controlling interests		–	(473)
<b>TOTAL EQUITY</b>		<b>16,087</b>	<b>16,300</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to equity holders of the Company					Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (Note 18)	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2024 (Audited)	8,878	82,728	5,072	(872)	(63,845)	31,961	425	32,386
Loss for the period	-	-	-	-	(3,569)	(3,569)	(216)	(3,785)
<b>Other comprehensive loss:</b> <i>Item that may be subsequently reclassified to profit or loss</i>								
Exchange difference arising on translation of foreign operations	-	-	-	(488)	-	(488)	(66)	(554)
<b>Total comprehensive loss for the period</b>	-	-	-	(488)	(3,569)	(4,057)	(282)	(4,339)
<b>At 30 June 2024 (Unaudited)</b>	8,878	82,728	5,072	(1,360)	(67,414)	27,904	143	28,047
At 1 January 2025 (Audited)	8,878	82,728	5,072	(1,365)	(78,540)	16,773	(473)	16,300
Loss for the period	-	-	-	-	(1,318)	(1,318)	(20)	(1,338)
<b>Other comprehensive loss:</b> <i>Item that may be subsequently reclassified to profit or loss</i>								
Exchange difference arising on translation of foreign operations	-	-	-	1,109	-	1,109	16	1,125
<b>Total comprehensive loss for the period</b>	-	-	-	1,109	(1,318)	(209)	(4)	(213)
<b>Transactions with owners:</b>								
<i>Contributions and distributions</i>								
Deemed acquisition of a subsidiary without change of control <sup>Note</sup>	-	-	-	(88)	(389)	(477)	477	-
<b>Total transactions with owners</b>	-	-	-	(88)	(389)	(477)	477	-
<b>At 30 June 2025 (Unaudited)</b>	8,878	82,728	5,072	(344)	(80,247)	16,087	-	16,087

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

\* English for identification purpose only.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	(Unaudited) For the six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Cash used in operations	(3,587)	(3,698)
Income tax paid	–	–
<b>Net cash used in operating activities</b>	<b>(3,587)</b>	<b>(3,698)</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	1	10
Acquisition of plant and equipment	–	(25)
Additions of intangible assets	(1,126)	(806)
Net cash inflow on disposal of subsidiaries	–	858
<b>Net cash (used in) from investing activities</b>	<b>(1,125)</b>	<b>37</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of lease liabilities	(10)	(19)
Interest paid	–	(1)
<b>Net cash used in financing activities</b>	<b>(10)</b>	<b>(20)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,722)</b>	<b>(3,681)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>10,613</b>	<b>17,597</b>
Effect of foreign exchange rate changes, net	602	(377)
<b>Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash</b>	<b>6,493</b>	<b>13,539</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. CORPORATE INFORMATION

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

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of cyber security solutions services and Information Technology ("IT") software and Software-as-a-Service ("SaaS").

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 (the "Interim Consolidated Financial Statements") are prepared in accordance with the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

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

The Interim Consolidated Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"), which collective term includes all applicable individual IFRSs, International Accounting Standards and Interpretations issued by the IASB. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the "2024 Consolidated Financial Statements").

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

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(Continued)

The accounting policies and methods of computation applied in the preparation of the Interim Consolidated Financial Statements are consistent with those applied in the preparation of the 2024 Consolidated Financial Statements.

### Adoption of new/revised IFRSs

The adoption of the new/revised IFRSs that are relevant to the Group and effective from the six months ended 30 June 2025 had no significant effects on the results and financial position of the Group for the six months ended 30 June 2025 and 2024.

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

## 3. SEGMENT INFORMATION

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

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

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

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

### 3. SEGMENT INFORMATION (Continued)

The segment information provided to the executive Directors for the reportable segments for the six months ended 30 June 2025 and 2024 is as follows:

	Continuing operation		Discontinued operation	
	Cyber security solutions and IT software development HK\$'000	SaaS HK\$'000	Cyber infrastructure solutions HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2025</b>				
<b>(Unaudited)</b>				
Revenue from external customers and reportable segment revenue	<b>7,953</b>	–	–	<b>7,953</b>
Reportable segment results (Adjusted EBITDA)	<b>634</b>	<b>(123)</b>	–	<b>511</b>
Other information:				
Depreciation and amortisation	<b>759</b>	<b>10</b>	–	<b>769</b>
<b>Six months ended 30 June 2024</b>				
<b>(Unaudited)</b>				
Revenue from external customers and reportable segment revenue	<b>5,808</b>	<b>1,138</b>	<b>94</b>	<b>7,040</b>
Reportable segment results (Adjusted EBITDA)	<b>(74)</b>	<b>(593)</b>	<b>(254)</b>	<b>(921)</b>
Other information:				
Depreciation and amortisation	<b>310</b>	<b>18</b>	<b>46</b>	<b>374</b>
Impairment loss on trade receivables	<b>55</b>	–	–	<b>55</b>

### 3. SEGMENT INFORMATION (Continued)

#### Reconciliation of reportable segment results

	(Unaudited)	
	For the six months	
	ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<b>Continuing operations</b>		
Reportable segment results (Adjusted EBITDA)	511	(667)
Interest income	1	10
Depreciation and amortisation	(773)	(331)
Unallocated expenses	(1,077)	(2,443)
Loss before income tax	(1,338)	(3,431)
Income tax expenses	–	(54)
Loss for the period	(1,338)	(3,485)
<b>Discontinued operation</b>		
Reportable segment results (Adjusted EBITDA)	–	(254)
Depreciation and amortisation	–	(46)
Loss before income tax	–	(300)
Income tax expenses	–	–
Loss for the period	–	(300)



### 3. SEGMENT INFORMATION (Continued)

#### Information about geographical areas

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

#### (a) Revenue from external customers

	(Unaudited) For the six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
<b>Continuing operations</b>		
Malaysia	4,776	3,936
The PRC	–	1,138
Singapore	3,177	1,872
	<b>7,953</b>	<b>6,946</b>
<b>Discontinued operation</b>		
Myanmar	–	8
The PRC	–	8
Philippines	–	62
Singapore	–	16
	<b>–</b>	<b>94</b>
	<b>7,953</b>	<b>7,040</b>

### 3. SEGMENT INFORMATION (Continued)

#### (b) Specified Non-current Assets

	(Unaudited)	
	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	7	15
Malaysia	1,144	14
Singapore	5,628	4,321
The PRC	22	3,842
	<b>6,801</b>	<b>8,192</b>

### 4. REVENUE

	(Unaudited)	
	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000

*Revenue from contracts with customers within IFRS 15*

#### – at a point in time

Cyber security solutions and IT software development	<b>7,953</b>	5,808
SaaS	–	1,138
	<b>7,953</b>	<b>6,946</b>

## 5. OTHER INCOME

	<b>(Unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income	1	10
Gain on disposal of subsidiaries ( <i>Note 19</i> )	–	74
Gain on disposal of plant and equipment	1	–
Government grants	1	70
Exchange gain, net	2	–
	<b>5</b>	<b>154</b>

## 6. FINANCE COSTS

	<b>(Unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Finance charges on lease liabilities	–	1

## 7. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

This is stated after charging:

	(Unaudited)	
	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Amortisation of intangible assets	620	302
Depreciation of plant and equipment	143	11
Depreciation of right-of-use assets	10	18
Exchange loss, net	–	12
Impairment loss on trade receivables	–	55

## 8. INCOME TAX EXPENSES

	(Unaudited)	
	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<b>Current tax</b>		
PRC enterprise income tax		
Current period	–	22
Singapore corporate income tax ("Singapore CIT")		
Under provision in prior year	–	32
	–	54

## **8. INCOME TAX EXPENSES** (Continued)

The Group entities established in the Cayman Islands and the British Virgin Islands (the “BVI”) are exempted from income tax. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the six months ended 30 June 2025 and 2024.

Hong Kong profits tax is calculated at 16.5% (*Six months ended 30 June 2024: 16.5%*) of the estimated assessable profits arising in or derived from Hong Kong. The Group’s subsidiaries established in the PRC are subject to enterprise income tax of the PRC at 25% (*Six months ended 30 June 2024: 25%*) of the estimated assessable profits for the six months ended 30 June 2025 based on the existing legislation, interpretations and practices in respect thereof.

Malaysia corporate income tax is calculated at 24% of the estimated assessable profits for the six months ended 30 June 2025 and 2024. Malaysia incorporated entities with paid-up capital of Malaysian Ringgit (“RM”) 2.5 million or less enjoy tax rate of 15% on the first RM150,000, 17% from RM150,001 to RM600,000 and remaining balance of the estimated assessable profits at tax rate of 24% for the six months ended 30 June 2025 and 2024.

Singapore CIT is calculated at 17% of the estimated assessable profits for the six months ended 30 June 2025 and 2024. Singapore incorporated companies can also enjoy 75% tax exemption on the first Singapore Dollars (“SG\$”) \$10,000 of normal chargeable income and a further 50% tax exemption on the next SG\$190,000 of normal chargeable income during the six months ended 30 June 2025 and 2024. In addition, since 2025, active companies that have employed at least one local employee in 2024 is eligible to receive a minimum benefit of SG\$2,000 in the form of a CIT rebate cash grant (the “CIT Rebate Grant”). The total maximum benefits of CIT rebate (if any) and the CIT Rebate Cash Grant that a company may receive is SG\$40,000 (*Six months ended 30 June 2024: Not applicable*).



## 9. LOSS PER SHARE

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

	<b>(Unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Loss for the period attributable to the owners of the Company, used in basic and diluted loss per share calculation:		
From continuing operations	<b>(1,318)</b>	(3,269)
From discontinued operation	<b>-</b>	(300)
Loss for the period attributable to the owners of the Company	<b>(1,318)</b>	(3,569)
	<b>Number of shares ('000)</b>	
Weighted average number of ordinary shares for basic and diluted loss per share calculation	<b>887,760</b>	887,760

Diluted loss per share was the same as the basic loss per share for the six months ended 30 June 2025 and 2024 as there were no dilutive potential ordinary shares.

## 10. DIVIDENDS

The Directors did not recommend a payment of an interim dividend for the six months ended 30 June 2025 (*Six months ended 30 June 2024: Nil*).

## 11. PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group incurred did not incur any additions to plant and equipment (*Six months ended 30 June 2024: approximately HK\$25,000*).

During the six months ended 30 June 2025, the Group disposed computer equipment with nil net book value (*Six months ended 30 June 2024: Not applicable*). The Group did not write off plant and equipment during the six months ended 30 June 2025 and 2024.

## 12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### Right-of-use assets

	Office premises	
	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>Reconciliation of carrying amount</b>		
At the beginning of the reporting period	6	43
Addition	24	–
Depreciation	(10)	(36)
Exchange alignment	1	(1)
<b>At the end of the reporting period</b>	<b>21</b>	<b>6</b>
<b>At the end of the reporting period</b>		
Cost	95	70
Accumulated depreciation	(74)	(64)
<b>Net carrying amount</b>	<b>21</b>	<b>6</b>

### Lease liabilities

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Current portion	9	6
Non-current portion	12	–
	<b>21</b>	<b>6</b>

During the six months ended 30 June 2025, the Group leased office premises for its operation and the lease terms of two to three years (*Six months ended 30 June 2024: two years*). The total cash outflow for lease was approximately HK\$10,000 for the six months ended 30 June 2025 (*Six months ended 30 June 2024: approximately HK\$19,000*).

At 30 June 2025, the weighted average effective interest rate for the lease liabilities of the Group was approximately 2.5% per annum (*31 December 2024: approximately 2.6% per annum*).

### 13. INTANGIBLE ASSETS

During the six months ended 30 June 2025, the Group incurred approximately HK\$1,126,000 on addition to intangible assets (*Six months ended 30 June 2024: approximately HK\$806,000*). The Group did not dispose and write off intangible assets during the six months ended 30 June 2025 and 2024. All intangible assets are available for use at 30 June 2025 and 31 December 2024.

### 14. GOODWILL

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>Reconciliation of carrying amount</b>		
At the beginning of the reporting period	2,663	2,770
Exchange alignment	231	(107)
At the end of the reporting period	2,894	2,663
Cost	5,788	5,326
Accumulated impairment losses	(2,894)	(2,663)
	2,894	2,663

### 15. TRADE AND OTHER RECEIVABLES

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>Trade receivables from third parties</b>		6,372	5,383
Less: Loss allowance	(a)	(1,744)	(1,672)
	(a)	4,628	3,711
<b>Other receivables</b>			
Prepayments		2,554	3,124
Deposits and other receivables	(b)	2,787	2,336
Less: Loss allowance		(163)	(163)
		5,178	5,297
		9,806	9,008

## 15. TRADE AND OTHER RECEIVABLES (Continued)

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

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>1,689</b>	1,306
31 to 60 days	<b>245</b>	63
61 to 90 days	<b>230</b>	265
91 to 180 days	<b>1,185</b>	803
181 to 365 days	<b>491</b>	1,274
Over 1 year	<b>788</b>	–
	<b>4,628</b>	3,711

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

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Not yet due	<b>259</b>	1,259
Past due:		
Within 30 days	<b>1,532</b>	327
31 to 60 days	<b>227</b>	71
61 to 90 days	<b>755</b>	220
91 to 180 days	<b>1,054</b>	1,088
181 to 365 days	<b>801</b>	746
	<b>4,369</b>	2,452
	<b>4,628</b>	3,711

## 15. TRADE AND OTHER RECEIVABLES (Continued)

(a) (Continued)

The Group's customer base consists of a wide range of customers and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating expected credit losses ("ECL") for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and specifically estimated the ECL for each debtor by reference to its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. There was no change in the estimation techniques or significant assumptions made during the six months ended 30 June 2025. The information about the exposure to credit risk and ECL for trade receivables using a provision matrix at 30 June 2025 and 31 December 2024 are summarised below.

### At 30 June 2025 (Unaudited)

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net carrying amount HK\$'000	Credit- impaired
Not past due	–	259	–	259	No
1 – 365 days past due	–	4,369	–	4,369	No
Over 1 year past due	100%	1,744	(1,744)	–	No
		<b>6,372</b>	<b>(1,744)</b>	<b>4,628</b>	

### At 31 December 2024 (Audited)

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



## 15. TRADE AND OTHER RECEIVABLES (Continued)

(a) (Continued)

At 30 June 2025, the Group recognised loss allowance of approximately HK\$1,744,000 (31 December 2024: approximately HK\$1,672,000) on the trade receivables. The movement in the loss allowance for trade receivables is summarised below.

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
At the beginning of the reporting period	1,672	1,771
Increase in allowance	–	(88)
Exchange alignment	72	(11)
<b>At the end of the reporting period</b>	<b>1,744</b>	<b>1,672</b>

The Group does not hold any collateral over the trade receivables at 30 June 2025 (31 December 2024: Nil).

- (b) Other receivables include deposits and other receivables and receivable on disposal of a subsidiary. Impairment on other receivables is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Group has taken into account the financial position of the counterparties by reference to, among others, its management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the counterparties and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of the financial asset, as well as the loss upon default. There was no change in the estimation techniques or significant assumptions made during the six months ended 30 June 2025.

At 30 June 2025, the Group recognised loss allowance of approximately HK\$163,000 (31 December 2024: approximately HK\$163,000) on other receivables. There is no movement in the loss allowance for the other receivables for the six months ended 30 June 2025.

## 16. DISCONTINUED OPERATION

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

Accordingly, the segment of cyber infrastructure solutions was classified as discontinued operation (the "Discontinued Operation") during the six months ended 30 June 2024. The results of the Discontinued Operation have been presented separately in the consolidated income statement with comparative figures restated to reflect a consistent presentation.

The results of the Discontinued Operation for the six months ended 30 June 2024 are analysed as follows:

	(Unaudited)
	For the six
	months
	ended 30 June
	2024
	HK\$'000
<b>Revenue</b>	<b>94</b>
Other income	(3)
Cost of inventories sold	(22)
Staff costs and related expenses	(90)
Sales and marketing expenses	(28)
Depreciation and amortisation	(46)
General and administrative expenses	(198)
Finance costs	(7)
<b>Loss before income tax</b>	<b>(300)</b>
Income tax expense	—
<b>Loss for the period</b>	<b>(300)</b>

## 16. DISCONTINUED OPERATION (Continued)

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

	(Unaudited)
	For the six months ended 30 June 2024
	HK\$'000
Net cash from (used in) operating activities	475
Net cash used in financing activities	(5)

## 17. TRADE AND OTHER PAYABLES

	Notes	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
<b>Trade payables to third parties</b>	(a)	<b>1,715</b>	<b>3,529</b>
<b>Other payables</b>			
Accruals and other payables		<b>3,891</b>	3,562
Receipt in advance	(b)	<b>360</b>	1,270
Payable on acquisition of intangible assets	(c)	<b>1,230</b>	1,230
		<b>5,481</b>	6,062
		<b>7,196</b>	9,591

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 30 days	<b>871</b>	1,515
31 to 60 days	<b>31</b>	25
61 to 90 days	<b>38</b>	726
Over 90 days	<b>775</b>	1,263
	<b>1,715</b>	3,529

## 17. TRADE AND OTHER PAYABLES (Continued)

- (b) The movements (excluding those arising from increases and decreases both occurred within the same periods) of receipt in advance from contracts with customer within IFRS 15 during the six months ended 30 June 2025 and year ended 31 December 2024 are as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	31 December 2024 HK\$'000 (Audited)
At the beginning of the reporting period	1,270	110
Recognised as revenue	(1,043)	(110)
Receipt of advances or recognition of receivables	92	1,270
Exchange alignment	41	–
<b>At the end of reporting period</b>	<b>360</b>	<b>1,270</b>

Included in the amount of transaction price allocated to the remaining performance obligations that are unsatisfied (or partially unsatisfied) at 30 June 2025 is approximately HK\$360,000 (31 December 2024: approximately HK\$1,270,000), which is expected to be recognised as revenue within one year.

- (c) During the year ended 31 December 2020, the Group has acquired several software copyrights with a total consideration of HK\$13,175,000 which recognised as "Intangible assets". Up to 30 June 2025, consideration of HK\$1,230,000 (31 December 2024: HK\$1,230,000) is remained unsettled and repayable in demand (31 December 2024: repayable on demand).

## 18. SHARE CAPITAL

	<b>Number of shares</b>	<b>HK\$'000</b>
Ordinary share of HK\$0.01 each		
<b>Authorised:</b>		
At 1 January 2024, 31 December 2024 and 30 June 2025	<b>6,000,000,000</b>	<b>60,000</b>
<b>Issued and fully paid:</b>		
At 1 January 2024, 31 December 2024 and 30 June 2025	<b>887,760,000</b>	<b>8,878</b>

## 19. DISPOSAL OF SUBSIDIARIES

On 29 February 2024, the Group disposed of the entire equity interests in Netsis Group to the Purchaser at a consideration of US\$250,000 (*equivalent to approximately HK\$1,950,000*). The details of the disposal are as follows:

	Netsis Group HK\$'000
<b>Net assets disposed of</b>	
Right-of-use assets	506
Inventories	1,149
Trade and other receivables	710
Bank balances and cash	1,092
Trade and other payables	(1,075)
Lease liabilities	(506)
	1,876
<b>Gain on disposal of subsidiaries</b>	74
<b>Consideration</b>	1,950

Analysis of net inflow of cash and cash equivalents in respect of disposal of subsidiaries during the six months ended 30 June 2024 is as follows:

	HK\$'000
Cash consideration	1,950
Cash and cash equivalents disposed of	(1,092)
<b>Net inflow of cash and cash equivalents</b>	858



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in provision of cyber security solutions and IT software development business, which main markets are in Malaysia and Singapore; and SaaS business in the PRC.

As a dynamic enterprise at the forefront of technological innovation, the Group is committed to delivering advanced cyber security solutions that enable businesses to operate securely in the digital age. In addition, the Group develops proprietary IT software to offer comprehensive digital and end-to-end access management solutions tailored to clients across diverse industries. Notably, in 2022, the Group launched its proprietary Visitor Management System (“VMS”), which was further enhanced in 2023 into a comprehensive Senior Care Management System (“SCMS”) and smart healthcare platform, which provides a consolidated platform for managing the residents or participants of eldercare facilities ranging from senior activity centres to nursing homes.

#### CYBER SECURITY SOLUTIONS AND IT SOFTWARE DEVELOPMENT SEGMENT

For the six months ended 30 June 2025 (the “Period”), the reportable segment results (adjusted earnings before interest, taxes, depreciation and amortisation (“Adjusted EBITDA”)) in the cyber security solutions segment and IT software development segment were profit of approximately HK\$634,000 (*Six months ended 30 June 2024 (the “Preceding Period”): loss of approximately HK\$74,000*). This improvement was primarily driven by increased revenue within this segment.

During the Period, the Group recognised an remarkable improvement in revenue from this business segment, which increased by approximately HK\$2,145,000 or 36.9% from approximately HK\$5,808,000 in the Preceding Period to HK\$7,953,000 in the Period which was mainly due to securing of strategic cyber security solutions related projects, growth in VMS clientele and the introduction of new revenue stream from SCMS.

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

During the Period, the Group entered into a strategic cooperation agreement with a leading cloud hosting provider in Malaysia, establishing a comprehensive and in-depth strategic partnership in the field of graphics processing unit (GPU) service hosting and services for the term from January 2025 to December 2026 (the "Strategic Cooperation Agreement"). This collaboration enhances the Group's opportunities to participate in tenders and negotiations for high-value and profitable projects. In the long term, the partnership is expected to expand the Group's market reach, bolster its credibility, and strengthen its market position within the IT industry. As of the date of this report, several significant projects are under negotiation pursuant to the Strategic Cooperation Agreement.

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

## SAAS SEGMENT

For the Period, the reportable segment result (Adjusted EBITDA) in the SaaS segment was a loss of approximately HK\$123,000 (*The Preceding Period: loss of approximately HK\$593,000*).

In previous years, the Group conducted its SaaS business by (i) issuing valued-added tax ("VAT") invoices on behalf of freelancers to enterprises (the "Enterprises") and (ii) offering SaaS to individual customers on a project basis. To facilitate the issuance of VAT invoices on behalf of freelancers to enterprises, Hunan Lujiang entered into an annual cooperation agreement with the Management Committee of Hunan Liling Economic Development Zone\* (湖南醴陵經濟開發區管理委員會, the "Management Committee") (the "Cooperation Agreement"). Pursuant to the Cooperation Agreement, Hunan Lujiang serves as an agent, responsible for issuing VAT invoices and handling the payment of VAT and related levies on behalf of the freelancers (the "VAT Invoice Issuance Service"). In return, the Management Committee provides a tax refund to Hunan Lujiang. Intense competition in the VAT Invoice

Issuance Service led to a significant price war, prompting Hunan Lujiang to further reduce service charge to the Enterprises in order to maintain market competitiveness in previous years.

However, intense competition in the VAT Invoice Issuance Service led to significant price reductions, adversely impacting revenue and segment results in 2024. Due to minimal gross profit margins and associated costs, Hunan Lujiang elected not to renew the Cooperation Agreement upon its expiration on 31 December 2024. Consequently, revenue from the SaaS segment declined substantially during the Period following the termination of the VAT Invoice Issuance Service. The Group is currently engaged in ongoing discussions with the Management Committee and relevant tax authorities regarding potential future collaborations.

## **PROSPECT**

Given the minimal gross profit margin and the associated costs incurred in the SaaS business, which collectively indicate an unfavorable business outlook and negative operating results, the Group has strategically reallocated internal resources away from the SaaS business. Instead, focus has been shifted towards the cyber security solutions and IT software business, which constitute the Group's core business. This reallocation aims to strengthen business development efforts within these areas and enhance the Group's overall operating performance.

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

## FINANCIAL REVIEW

### REVENUE

The major revenue streams of the Group were derived from the provision of the cyber security solutions and IT software development business and the SaaS business. For the Period, the Group recorded a total revenue of approximately HK\$7,953,000 (*The Preceding Period: approximately HK\$5,808,000*), of which was generated from the cyber security solutions and IT software development business of approximately HK\$7,953,000 (*The Preceding Period: approximately HK\$5,808,000*). The Group did not generate revenue from the SaaS business during the Period (*The Preceding Period: approximately HK\$1,138,000*).

The increase in revenue from the cyber security solutions and IT software development business was mainly due to securing of strategic cyber security solutions related projects, growth in VMS clientele and the introduction of new revenue stream from SCMS. Conversely, the decrease in revenue from the SaaS business was due to the termination of the Cooperation Agreement, which was not renewed.

### COST OF INVENTORIES SOLD

The Group's cost of inventories sold was increased from approximately HK\$3,547,000 for the Preceding Period to approximately HK\$4,002,000 for the Period. The increase was mainly due to the increase in the number of purchases of hardware and software components and in line with the increase in revenue in the cyber security solutions and IT software development business.

### COST OF SERVICES

Amount primarily consisted of subcontracting fees for technology vendors and individual service providers, and other service-related costs. The Group recorded decrease in cost of services from approximately HK\$1,285,000 for the Preceding Period to approximately HK\$69,000 for the Period. The decrease mainly resulting in (i) decline in the SaaS business revenue and (ii) decreased reliance on subcontractors and services provided by other IT vendors as a result of ongoing value addition and enhancements on both VMS and SCMS, as well as ongoing professional development of internal staff.

### STAFF COSTS AND RELATED EXPENSES

For the Period, the Group recorded staff costs and related expenses of approximately HK\$2,999,000 (*The Preceding Period: approximately HK\$3,398,000*). The reduction was mainly driven by a decrease in Directors' fees effective from June 2025, as well as a reduction in staff headcount in the PRC due to excess manpower and internal resource reallocation away from the SaaS business.

## GENERAL AND ADMINISTRATIVE EXPENSES

The amount of general and administrative expenses decreased from approximately HK\$1,958,000 for the Preceding Period to approximately HK\$1,435,000 for the Period. The decrease in the expected amount is primarily attributable to reduced business activities in the SaaS segment and the Group's overall stringent cost control measures during the Period.

## LOSS FOR THE PERIOD

The Group recorded a decrease in loss from approximately HK\$3,785,000 for the Preceding Period to approximately HK\$1,338,000 for the Period. The improvement was mainly due to (i) the increase in reportable segment results (Adjusted EBITDA) in the cyber security solutions and IT software development segment, as analysed above; (ii) increase in reportable segment results (Adjusted EBITDA) in the SaaS segment, as analysed above; and (iii) decrease in unallocated expenses from approximately HK\$2,443,000 for the Preceding Period to approximately HK\$1,077,000 for the Period, mainly resulting from the Group's overall stringent cost control measures during the Period.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had current assets of approximately HK\$16,503,000 (*31 December 2024: approximately HK\$19,989,000*) including bank balances and cash of approximately HK\$6,493,000 (*31 December 2024: approximately HK\$10,613,000*) which are principally denominated in HK\$, RM and SG\$, and the Group did not have any bank borrowings and debts. Total assets were approximately HK\$23,304,000 (*31 December 2024: approximately HK\$25,897,000*) and total liabilities were approximately HK\$7,217,000 (*31 December 2024: approximately HK\$9,597,000*). The gearing ratio is not available, since the Group had no bank borrowings and no debts as at 30 June 2025 and 31 December 2024.

## SHARE CAPITAL

As at 30 June 2025 and 31 December 2024, the authorised share capital of the Company was HK\$60,000,000 divided into 6,000,000,000 shares of HK\$0.01 each, and the issued share capital of the Company was approximately HK\$8,878,000 divided into 887,760,000 ordinary shares of HK\$0.01 each.



## **TREASURY POLICY**

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

## **FOREIGN EXCHANGE EXPOSURE**

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

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

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as at 30 June 2025 and 31 December 2024.

## **SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS**

Save as disclosed in Note 19 to the Interim Consolidated Financial Statements in relation to the disposal of subsidiaries during the Preceding Period, the Group did not have significant investment, material acquisitions and disposal during the Period and the Preceding Period.

## **CHARGE ON THE GROUP'S ASSETS**

There was no charge on the Group's assets as at 30 June 2025 and 31 December 2024.

## **DIVIDEND**

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

## **EMPLOYEES INFORMATION**

As at 30 June 2025, the Group had a total number of 17 employees (*30 June 2024: 19 employees*) (including executive Directors). During the Period, the total staff costs amount to approximately HK\$2,999,000 (*The Preceding Period: approximately HK\$3,398,000*), representing a decrease of approximately HK\$399,000.

The salaries and benefits of the Group's employees were kept at a market level and employees were rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.



A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. Besides, the Company maintains a share option scheme to attract and retain individuals with experience and ability and/or to reward them for their past contributions. Please refer to the paragraphs headed "Share Option Scheme" in this report for details of such scheme.

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

## USE OF PROCEEDS FROM THE PLACING

On 13 October 2023, the Company issued 147,960,000 shares of the Company (the "Share(s)") by way of placing, at a placing price of HK\$0.024 per new Share (the "Placing"). The net proceeds from the Placing after deducting related expenses were approximately HK\$3,434,000. Up to 30 June 2025, the net proceeds from the Placing had been applied as follows:

	<b>Use of net proceeds HK\$'000</b>	<b>Actual use of net proceeds from the Completion Date and up to 30 June 2025 HK\$'000</b>
General working capital of the Group	3,434	3,434

## EVENT AFTER THE REPORTING PERIOD

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

## CHANGES OF DIRECTORS, CHANGE OF CHAIRMAN AND CHANGES IN COMPOSITION OF BOARD COMMITTEE

### *Appointment of Executive Director and Change of the Chairman*

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

### *Changes in Directors and Changes in Composition of Board Committee*

On 30 June 2025, Mr. Roy Ho Yew Kee ("Mr. Ho") resigned as a non-executive Director. Following Mr. Ho's resignation, Mr. Ho has ceased as a member of the remuneration committee of the Company (the "Remuneration Committee").

Additionally, Mr. Tang Chak Lam Gilbert ("Mr. Tang") resigned as an independent non-executive Director. Following Mr. Tang's resignation, Mr. Tang has ceased as (i) the chairman of the nomination committee of the Company (the "Nomination Committee"), (ii) the chairman of the Remuneration Committee and (iii) a member of audit committee of the Company (the "Audit Committee").

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

Furthermore, Mr. Vun, an executive Director, has been appointed as a member of the Remuneration Committee in place of Mr. Ho's position in the Remuneration Committee with effect from 30 June 2025.

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

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

As at 30 June 2025, the interest and short position of the Directors or chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

### INTERESTS IN THE SHARES

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

Notes:

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

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

As at 30 June 2025, so far as known to any director, the following persons (other than the directors and chief executive of the Company) had interest or short positions in the shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

### LONG POSITION IN SHARES OR UNDERLYING SHARES OF THE COMPANY

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

*Notes:*

1. The Letter "L" demonstrates long position.
2. The Letter "S" demonstrates short position.
3. Alpha Sense (BVI) is an investment holding company incorporated in the BVI and is wholly-owned by Mr. Foo. Mr. Foo has resigned as the chairman of the Board, executive Director and chief executive officer of the Company with effect from 31 May 2022. By virtue of the SFO, Mr. Foo is deemed to be interested in the 154,838,000 Shares held by Alpha Sense (BVI).
4. XOX Hong Kong is an investment holding company incorporated in Hong Kong and is wholly-owned by XOX Bhd. XOX Bhd is a company incorporated in Malaysia, the shares of which are listed on Bursa Malaysia (stock code: 0165). By virtue of the SFO, XOX Bhd is deemed to be interested in the 117,848,500 Shares held by XOX Hong Kong.
5. Mr. Yun beneficially owns the entire issued shares of VCAP Global Inc, which in turn holds 21,000,000 shares or approximately 11.32% of XOX Berhad. Therefore, Mr. Yun is deemed, or taken to be, interested in the 13,340,450 Shares held by XOX (Hong Kong) Limited in proportion of Mr. Yun's indirect shareholding in XOX (Hong Kong) Limited.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons (other than the Directors and chief executives of the Company) who had interests or short positions in the shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

## **CORPORATE GOVERNANCE CODE**

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

For the Period, the Company's corporate governance practices had complied with the applicable code provisions of the Code with the exception of the deviation from code provision C.2.1 during the period from 1 January 2025 to 11 May 2025, as explained below:



Code provision C.2.1 of the Code requires that the roles of chairman and chief executive officer should be separate and not performed by the same individual. During the period from 1 January 2025 to 11 May 2025, Mr. Ong served as roles of the Chairman and chief executive officer of the Company. Given that Mr. Ong has in-depth knowledge and experience in the information technology and computer industry and familiarity with the operations of the Group, that all major decisions are made in consultation with members of the Board and relevant Board committees, and that there are three independent non-executive Directors in the Board offering independent perspectives, the Board was therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company and that it was in the best interest of the Group to have Mr. Ong taking up both roles.

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

## **INTERESTS IN COMPETING BUSINESS**

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

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the Shares (the "Code of Conduct"). The Company also made specific enquiry with all Directors, and the Company was not aware of any non-compliance with the required standard as set out in the Code of Conduct during the Period.



## SHARE OPTION SCHEME

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

During the Period and the Preceding Period, no share option had been granted, cancelled, exercised or lapsed pursuant to the Scheme. There was no share option outstanding as at 30 June 2025. As at 1 January 2025, 30 June 2025 and as of the date of this report, the total number of Shares available for issue under the Scheme was 60,000,000, representing approximately 6.8% of the entire issued share capital of the Company.

## AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and the Corporate Governance Code in Appendix C1 to the GEM Listing Rules for the purpose of reviewing and supervising the Company’s financial reporting and internal control procedures. As at 30 June 2025, the Audit Committee comprised three independent non-executive Directors, namely Ms. Lim Joo Seng, Mr. Lynch Stephen Joseph Chor and Mr. Yeung Chun Yue David. Ms. Lim Joo Seng is the chair of the Audit Committee.

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

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

Malaysia, 22 August 2025

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

*This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*