



VSING (08292)

# 2025 ANNUAL REPORT

VSING LIMITED



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## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Mr. Ngu Sing King (*Chairman*) (appointed on 4 August 2025)

Mr. Lai Kwok Hei (resigned as Chairman on 4 August 2025)

Mr. Chan Kin Ho Philip (*Chief Executive Officer*)

#### Independent Non-executive Directors

Ms. Wong Hoi Yan Audrey

Ms. Cheung Choi Hung

Mr. Ma Kin Hung (passed away on 6 April 2026)

#### Compliance Officer

Mr. Chan Kin Ho Philip

#### Authorised Representatives

Mr. Lai Kwok Hei

Ms. Tsang Oi Yin

#### Audit Committee

Ms. Wong Hoi Yan Audrey (*Chairperson*)

Ms. Cheung Choi Hung

Mr. Ma Kin Hung (passed away on 6 April 2026)

#### Remuneration Committee

Ms. Wong Hoi Yan Audrey (*Chairperson*)

Ms. Cheung Choi Hung

Mr. Lai Kwok Hei (appointed on 13 April 2026)

Mr. Ma Kin Hung (passed away on 6 April 2026)

#### Nomination Committee

Ms. Wong Hoi Yan Audrey (*Chairperson*)

(appointed on 13 April 2026)

Mr. Lai Kwok Hei

Ms. Cheung Choi Hung

Mr. Ma Kin Hung (*Chairman*) (passed away on 6 April 2026)

#### Company Secretary

Ms. Tsang Oi Yin

#### Registered Office

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### Headquarter and Principal Place of Business in Malaysia

No. 42, Jalan Puteri 2/2

Bandar Puteri Puchong

47100 Puchong

Selangor Darul Ehsan

Malaysia

### Principal Place of Business in Hong Kong

Unit 5D, 5/F, Hang Cheong Factory Building

No. 1 Wing Ming Street

Kowloon

Hong Kong

### Principal Share Registrar and Transfer Office in the Cayman Islands

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman, KY1-1111

Cayman Islands

### Hong Kong Branch Share Registrar and Transfer Office

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F

148 Electric Road

North Point

Hong Kong

### Auditor

Elite Partners CPA Limited

*Certified Public Accountants*

### Principal Bankers

China Construction Bank (Asia) Corporation Limited

Hang Seng Bank

Malayan Banking BHD

Public Bank BHD

Alliance Bank Malaysia BHD

### Website

[www.worldgate.com.hk](http://www.worldgate.com.hk)

### Stock Code

8292

# CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS

Dear Shareholders,

On behalf of the board of Directors (the "**Board**"), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025 (the "**Financial Year**").

The Group engaged in an interactive entertainment technology platform and software business since July 2025, and is a well-established integrated logistics solution provider in Malaysia and Hong Kong principally engaged in providing international freight forwarding and logistics services, with a primary focus on air/sea freight forwarding and related services, trucking and warehousing to customers worldwide, manufacturing and sale of plastic products in Vietnam and trading of used mobile phones.

## Business Review

### Interactive Entertainment Technology Platform and Software Business

This segment is principally engaged in the operation of social entertainment platform known as "VSING" that utilizes modern technologies to enhance the experiences of audiences and karaoke singers/performers in their leisure and entertainment activities. The VSING experience is cultivated through a mix of hardware systems such as LED walls, stage lighting, sound systems, and touch-based controls designed to create a live-stage atmosphere, and the self developed software systems enhances customer experience and interactions with each other through instilling prominent social media features into the experience such as purchase of digital gifts for performers through the VSING mobile application and acquiring appearance-enhancing digital cosmetics.

This segment, which was acquired in July 2025, has been consolidated within the Group's results from the date of acquisition onwards. The segment contributed revenue of RM4.6 million to the Group during the period.

### Integrated Logistics Services Business

The Group offers a comprehensive and wide range of services to meet its customers' needs, including air/sea freight forwarding and related services, trucking and warehousing related services. In addition, the Group provides value-added services such as supply chain management services including pick & pack, distribution and stock & inventory report, security escort services and tracking services. These services are complementary to one another, and provide customers a wide range of services with cost savings. Although the freight forwarding industry in Malaysia is highly fragmented and competitive, in particular, we directly and indirectly compete with other integrated logistics service providers on a local, regional and international basis in the form of pricing, range of services provided, information technology and network of customer, the Group operates logistics service in Hong Kong with the intention to strengthen its market position. The Group closely monitor the market situations and make necessary adjustments to its strategies and operations.

Our integrated logistics services can be broadly categorised into (1) air freight forwarding and related services; (2) sea freight forwarding and related services; and (3) trucking and warehousing and related services.

#### 1. Air Freight Forwarding and Related Services

During the Financial Year, the air freight services was resuming steadily from Covid-19 pandemic. The revenue from the air freight services was approximately RM17.2 million (2024: RM10.9 million), representing an increase of about 58.3% as compared to that of last year. Revenue from air freight services mainly consists of fee of import and export air freight cargo space, customs clearance, local trucking and haulage to and from seaport and customers/warehouses and other services related to air freight. Such revenue is mainly driven by the volume of goods, type of services provided, type of cargo, among other factors.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The shipment volume of the Group's air freight forwarding and related services for the year ended 31 December 2025 and 2024 is set out in the table as below:

	For the year ended 31 December	
	2025 '000 kg	2024 '000 kg
Air freight shipment volume		
(a) Export	2,211	1,585
(b) Import	2,541	1,672

### 2. Sea Freight Forwarding and Related Services

During the Financial Year, the revenue from the sea freight services was the largest source of income which accounted for approximately RM22.6 million (2024: RM23.4 million). Revenue from sea freight services decreased by about 3.2% as compared to that of last year. Revenue from sea freight services mainly consists of fee of import and export sea freight cargo space, customs clearance, local trucking and haulage to and from seaport and customers/warehouses, other services related to sea freight. Such revenue is driven by the volume of goods, type of services provided, type of cargo, among other factors.

The shipment volume in TEU of the Group's sea freight forwarding and related services for the year ended 31 December 2025 and 2024 is set out in the table as below:

	For the year ended 31 December	
	2025 TEU	2024 TEU
Sea freight shipment volume		
(a) Export	4,668	4,764
(b) Import	4,935	5,388

### 3. Trucking and Warehousing and Related Services

#### (i) Trucking and Related Services

The Group's trucking and related services can be divided into two categories: (i) supporting service for its freight forwarding business; and (ii) service which does not involve sea freight or air freight.

Majority of the transportation revenue was from the supporting services for the Group's freight forwarding business including income from haulage and trucking services. Such revenue has been taken into account as part of the revenue generated from the air/sea freight forwarding services provided by the Group.

During the Financial Year, the revenue from the trucking and related services accounted for approximately RM3.4 million (2024: RM2.5 million). Revenue from trucking and related services increased by about 32.1% as compared to that of last year. Revenue from such services mainly consists of delivery fee for trucking services for both Hong Kong and Malaysia. Such revenue is mainly driven by the volume of goods delivered, and the numbers of trips and types of customers served, among other factors.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### (ii) Warehousing and Related Services

The Group's warehousing business mainly serves a supporting role for its freight forwarding services. The Group's warehousing services provided in Port Klang mainly consisted of general warehousing services. The warehousing services provided in Kuala Lumpur and Penang airports mainly served as temporary storages of goods for the Group's international air freight business. Therefore, revenue from the Group's warehouse business only accounted for an insignificant portion of less than 1% (2024: less than 1%) of the Group's total revenue for the Financial Year.

### Manufacturing and Trading of Plastic Products

Revenue from manufacturing and trading of plastic products mainly consists of (i) manufacturing plastic products and accessories for industrial and civil equipment, (ii) producing molds related to plastic products, and (iii) trading of plastic products and accessories.

During the Financial Year, the Group recorded revenue from manufacturing and trading of plastic products of approximately RM30.1 million (2024: RM19.0 million), representing approximately 24.4% (2024: 22.2%) of our total revenue. Revenue increased by about 58.6% as compared to that of last year. The segment profit before taxation was approximately RM0.6 million (2024: segment loss of RM1.7 million). The revenue of this segment steadily increased with more orders placed by existing customers whilst attracting new customers. The Board is of the view that the manufacturing and trading of plastic products will diversify the income stream of the Company.

### Trading of Used Mobile Phones Business

The Group sources used mobile phones suppliers and then inspects the condition and fix the defective phones to ensure that they are functioning and sellable before selling to customers. If they are unsellable and/or defective, the Group's staff will fix the defective phones to ensure they are in sellable condition before selling to customers online and offline.

During the Financial Year, the Group recorded a revenue from the trading of used mobile phones of approximately RM45.4 million (2024: RM29.8 million), representing approximately 36.9% (2024: 34.8%) of our total revenue. Revenue increased by about 52.6% as compared to that of last year. The increase in revenue was mainly due to the keen competition on the prices of the used mobile. The Group offers attractive prices to customers and hence the revenue was increased. However, due to the impairment of loss on trade and other receivables, the segment loss was similar to last year. The segment loss before taxation was approximately RM3.2 million (2024: RM3.2 million). The Board is of the view that the trading of used mobile phones will diversify the income stream of the Company.

## Future Prospects and Outlook

### Interactive Entertainment Technology Platform and Software Business

#### *Pan-Asian AI Entertainment Business: Scalability through Innovation*

The core business of this segment is a proprietary social networking and AI-driven entertainment ecosystem which is our "Asset-Light Licensing Model" which facilitates rapid network expansion with minimal capital expenditure.

This segment has focused on deepening its operational presence in established markets while enhancing the efficiency of its AI platform, where high-margin B2B Software as a Services ("**SaaS**") fees and technical support complement the growing B2C digital ecosystem.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### ***Global Presence & Network Expansion: Strategic Regional Growth***

Throughout 2025, we successfully transitioned from a regional Asian player to a global brand, marked by the official establishment of its presence in the United States market. This expansion serves as a cornerstone of our globalization strategy, proving the cross-cultural appeal of its AI-driven ecosystem. By the end of 2025, our network spanned 12 regions globally, successfully reaching the operational milestone of over 100-outlet signing milestone.

A significant achievement in the fourth quarter of 2025 was the signing of a strategic Memorandum of Understanding (MOU) with Regal Hotels International, a prominent Hong Kong-listed hospitality group. This collaboration represents our strategic entry into the global hotel and tourism sector. Under this arrangement, we are integrating the interactive AI-entertainment systems into five Regal Hotels properties in Hong Kong by the end of 2025. This partnership transforms traditional hotel lounges into immersive social environments, enabling us to capture high-value audience segments and host premium celebrity events.

In August 2025, we officially opened global flagship store, VSING Central, located in the premier nightlife district of Lan Kwai Fong, Hong Kong. This venue serves as the "ideal deployment model" for the VSING-powered ecosystem, introducing the city's first four-sided immersive karaoke stage with 360-degree "surround visual" experiences powered by massive LED screens. VSING Central acts as a strategic platform to revitalize local nightlife and showcase the future of interactive entertainment to international audiences.

### ***User Engagement & Ecosystem Development (B2C Segment)***

The VSING Mobile App remains the primary engine for user engagement and B2C monetization. This segment accounted for 23% of total revenue, driven by user subscriptions and the "VGEM" virtual gifting system. To drive session time and user retention in 2025, the Group integrated "VSTAR" talent and interactive live content, creating a more immersive social loop between offline outlets and the digital platform.

Strategic synergies have been further strengthened through partnerships with lifestyle providers, such as the Hainan Yuncang Winery, ensuring a consistent supply of premium products to VSING-licensed outlets. This integrated approach "combining a technological moat of proprietary AI with physical lifestyle offerings" has solidified VSING's position as a comprehensive social entertainment platform.

### **Integrated Logistics Services Business**

The Group also aims to strengthen its position as an integrated logistics solutions service provider in both Hong Kong and Malaysia. The Directors believe an optimistic outlook on the resilience of the industry and the robustness of its own business. The market has endured its trough, and the Group has largely overcome the major challenges it previously encountered, gradually setting itself on the right track and is prepared to forge ahead. The Group will remain committed to the strategic objectives that it set previously, focusing on sustainable development, and operational excellence, while continuously optimising corporate assets and financial health. In terms of market positioning, we aim to strengthen our competitive position and seize emerging market opportunities through focusing on our advantages, and believe that the Group will emerge stronger from the current challenges and deliver long-term value to our shareholders.

The Board is of the view that the logistics business will broaden its revenue base. It is expected that it may also improve the capital usage efficiency of the Company and generate additional investment returns on the idle funds of the Company. The Board is of view that interactive entertainment technology platform and software business, manufacturing and trading of plastic products and trading of used mobile phones provides an opportunity to further diversify the Group's business and will expand and create synergy effect with the Group's existing business.

The increase in revenue was mainly due to the keen competition on the prices of the used mobile. The Group offers attractive prices to customers and hence the revenue was increased. However, due to the impairment of loss on trade and other receivables, the segment loss was similar to last year.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Financial Review

The Group's revenue increased by approximately 44.2% from approximately RM85.5 million for the year ended 31 December 2024 to approximately RM123.2 million for the Financial Year. Due to the recognition of an impairment loss of approximately RM58.7 million during the Financial Year in relation to goodwill arising from the acquisition of the interactive entertainment technology platform and software business, following the assessment by an independent third-party valuer, the Group recorded loss attributable to owners of the Company of approximately RM74.5 million for the Financial Year. The performance of each segment is set out below.

### Interactive Entertainment Technology Platform and Software Business

#### Revenue

The revenue from the interactive entertainment technology platform and software business was approximately RM4.6 million for the year ended 31 December 2025 since the date of acquisition onwards.

VGEM is the digital currency used in the VSING ecosystem. Users use it to access features, activate stage effects, and pay for premium services. This was primarily attributable to our strategic focus on user acquisition and market development in newly entered territories. During the Financial Year, promotional initiatives were implemented to support ecosystem growth, including targeted VGEM distribution to accelerate user base expansion. As a result, while user numbers increased, reported VGEM sales reflected the expansion-oriented strategy adopted during the Financial Year.

In addition, our Hong Kong flagship store commenced operations during the Financial Year, contributing beverage revenue and strengthening the integration between the Group's online and offline ecosystem. This marked the introduction of an additional revenue stream.

Overall, the Financial Year represented a transitional year in which revenue composition shifted towards expansion-driven income streams while laying the groundwork for deeper recurring monetisation in subsequent years.

#### Cost of Sales

The cost of sales mainly consisted of platform operating cost and amounted to RM2.1 million for the Financial Year.

#### Gross Profit and Profitability

The segment's gross profit was approximately RM2.5 million in the Financial Year. Gross profit margin was approximately 54.3%.

### Integrated Logistics Services Business

#### Revenue

The Group's total revenue from the integrated logistic service amounted to approximately RM43.1 million and RM36.7 million for the year ended 31 December 2025 and 2024, respectively. For the Financial Year, approximately 13.9% and 18.3% of the Group's revenue was attributable to air freight and sea freight services respectively. For the year ended 31 December 2024, approximately 12.7% and 27.3% of the Group's turnover was attributable to air freight and sea freight services respectively.

Revenue from the integrated logistics services for the Financial Year increased by approximately 17.4% or approximately RM6.4 million as compared to that of the previous year. The increase was mainly contributed from air freight services which increased by 58.3% as compared with last year where the worldwide logistics business has gradually resumed.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **Cost of Sales**

Major components of the cost of sales were freight charges of cargo spaces. The Group obtains cargo space from international airlines and shipping liners, their agents/overseas freight forwarders at the rate depending on freight destination and volume/weight, among other factors. The Group charges its customers based on the cost quoted by the suppliers plus a reasonable profit margin.

In line with the increase in revenue, the cost of sales for the Financial Year increased by approximately 13.7% or RM4.5 million as compared to that of the previous year.

### **Gross Profit and Gross Profit Margin**

The gross profit increased by approximately 38.0% from RM3.9 million for the year ended 31 December 2024 to RM5.4 million for the Financial Year. It was mainly due to increase in revenue generated from logistic services for the year ended 31 December 2025 of RM43.1 million compared to RM36.7 million for the year ended 31 December 2024. With the combined effects of revenue and cost of sales, the Group's gross profit margin of integrated logistics services increased to 12.5% for the year ended 31 December 2025 from 10.6% for the year ended 31 December 2024.

## **Manufacturing and Trading of Plastic Products**

### **Revenue**

The Group's total revenue from manufacturing and trading of plastic products amounted to approximately RM30.1 million for the year ended 31 December 2025 (2024: RM19.0 million).

### **Cost of Sales**

For the manufacturing and trading of plastic products, the cost of sales amounted to approximately RM24.9 million for the year ended 31 December 2025 (2024: RM17.5 million).

### **Gross Profit and Gross Profit Margin**

The gross profit of the manufacturing and trading of plastic products amounted to approximately RM5.2 million (2024: RM1.5 million) and the gross profit margin is approximately 17.3% (2024: 7.9%) for the year ended 31 December 2025.

## **Trading of Used Mobile Phones**

### **Revenue**

The Group's total revenue from the trading of mobile phones amounted to approximately RM45.4 million for the year ended 31 December 2025 (2024: RM29.7 million).

### **Cost of Sales**

For the trading of used mobile phones, the cost of sales amounted to approximately RM41.8 million for the year ended 31 December 2025 (2024: RM26.7 million).

### **Gross Profit and Gross Profit Margin**

The gross profit of the trading of used mobile phones amounted to approximately RM3.6 million (2024: RM3.0 million) and the gross profit margin is approximately 7.9% (2024: 10.1%) for the year ended 31 December 2025.

## **Administrative Expenses**

The administrative expenses were RM20.3 million and RM12.8 million for the Financial Year and the year ended 31 December 2024. The administrative expenses mainly consist of staff cost, expense on short-term leases and depreciation of property, plant and equipment.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Finance Costs

Finance costs represent interest on bank overdrafts, bank borrowings and lease liabilities. During the Financial Year, the Group's financial cost amounted to approximately RM0.7 million (2024: RM0.5 million).

### Income Tax Credit/Expense

During the Financial Year, the Group recorded income tax credit of approximately RM0.11 million (2024: income tax expense of RM0.03 million).

Malaysia income tax is calculated at the statutory rate of 24% (2024: 24%) of the estimated taxable profit for the year. Certain subsidiaries incorporated in Malaysia enjoy tax rate of 17% (2024: 17%) on the first RM500,000 and remaining balance of the estimated taxable profit at tax rate of 24% (2024: 24%).

### Loss for the Year and Loss per Share

The Group recorded a loss of approximately RM74.5 million for the Financial Year attributable to owners of the Company (2024: RM6.2 million). The Group's loss per share for the Financial Year was RM8.47 sen (2024: restated RM0.98 sen).

### Liquidity, Financial Resources and Capital Structure

As at 31 December 2025,

- (a) the Group's net current assets was approximately RM22.0 million (2024: RM14.4 million) and the Group had cash and bank balance of approximately RM6.0 million (2024: RM7.4 million);
- (b) the Group had bank borrowings and overdrafts and lease liabilities of approximately RM5.5 million (2024: RM4.5 million) and RM6.1 million (2024: RM1.6 million), respectively;
- (c) the Group's current ratio was approximately 1.7 times (2024: 1.7 times). The gearing ratio is calculated by dividing total debt by total equity at the end of the respective years. The Group's gearing ratio was approximately 19.3% (2024: 25.4%); and
- (d) the Group's total equity attributable to owners of the Company amounted to RM60.5 million (2024: RM25.1 million). The equity of the Company comprises share capital and reserves.

### Dividends

The Board does not recommend the payment of a final dividend for the Financial Year (2024: nil).

### Significant Investments Held by the Group

As at 31 December 2025, the Company held 1,650,000 shares (representing 16.5% effective interest) in GLAMOORE Capital Group Company Limited ("GLAMOORE"), a specialized financial services provider based in Hong Kong with operations conducted by GLAM Capital Limited ("GCL") and Grand Moore Capital Limited ("GMCL"). GCL is licensed with the Securities and Futures Commission of Hong Kong ("SFC") to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, including placing and underwriting services, investment advisory services, asset management services and securities brokerage services. GMCL is licensed with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, including IPO sponsorship services, corporate finance, capital market advisory services and placing and underwriting services.

Save as disclosed above, there was no significant investment held by the Group during the Financial Year.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Material Acquisitions and Disposals of Subsidiaries and Associates

On 21 March 2025, the Company entered into the sale and purchase agreement to acquire the entire issued share capital of V Sing Global Limited (the “**Target Company**”, together with its subsidiaries, the “**Target Group**”) for an aggregate consideration of HK\$50,000,000 (the “**Acquisition**”) from V Sing Holdings Limited and Silver Hero Ventures Limited (collectively, the “**Vendors**”). The consideration should be satisfied by way of allotment and issue of a total of 318,000,000 new shares of the Company (the “**Consideration Shares**”) at the issue price of HK\$0.157 per Share, credited as fully paid. The Acquisition constituted a major transaction of the Company. The completion of the Acquisition took place on 28 July 2025. A total of 318,000,000 Consideration Shares, credited as fully paid, have been allotted and issued by the Company at the issue price of HK\$0.157 each to the Vendors, and the Vendors have become the beneficial owners of the Consideration Shares. Out of the said entire portfolio of 318,000,000 Consideration Shares, 106,000,000 Escrowed Consideration Shares were retained by the Escrow Agent to secure the performance of the Profit Guarantee by the Vendors. The Company has become interested in the entire issued share capital of the Target Company. As such, with effect from 25 July 2025, the Target Company has become a wholly-owned subsidiary of the Company and the financial information of the Target Group will be consolidated in the consolidated financial statements of the Group. Further details of the Acquisition were set out in the announcements of the Company dated 21 March 2025 and 28 July 2025 as well as the circular of the Company dated 30 June 2025.

Save as disclosed above, there were no material acquisitions and disposals of subsidiaries and associates during the Financial Year.

### Capital Commitments

As at 31 December 2025, the Group did not have any significant capital commitments for purchase of property, plant and equipment.

### Contingent Liabilities

As at 31 December 2025, bank guarantees of RM385,000 (2024: RM383,000) of the Group were issued to suppliers for operational requirements. The Directors do not consider probable that a claim will be made against the Group under these guarantees.

As at 31 December 2025 and 2024, the Company issued corporate guarantee to a bank in respect of bank borrowings and banking facilities granted to a subsidiary.

### Principal Risks and Uncertainties

The Directors are aware that the Group is exposed to various types of risks, including operational risks, market risks, liquidity risks, credit risks and regulatory risks. The Directors have established a set of risk management policies and measures to identify, evaluate and manage risks arising from its operations.

The following are the primary risks that may materially and adversely affect the Group's business, financial condition and results of operation and its risk management measures.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Key risks related to the Group's businesses and to the industries in which the Group operates include:

### 1. Risks relate to interactive entertainment technology platform and software business (the "VSING Business")

The VSING Business is subject to certain operational risks in the normal course of business:

#### ***Content and Music Copyright Compliance:***

As the VSING Business engages in content creation and digital marketing activities, the use of music and other third-party materials may involve copyright considerations. The Group will continue to ensure proper licensing and compliance with applicable regulations in different markets, including platform-specific requirements.

#### ***Platform and Policy Changes***

The VSING Business relies on various digital and social media platforms. Changes in platform policies, algorithms or content guidelines may affect campaign performance from time to time. The Group will continue to monitor such changes and adjust its strategies accordingly.

#### ***Client Demand and Campaign Timing***

The VSING Business is driven by campaigns from time to time, and revenue may vary depending on client demand and campaign schedules. The Group maintains ongoing communication with clients to ensure stable business development.

#### ***Talent and Content Quality***

The VSING Business works with content creators and partners to deliver marketing campaigns. The Group will continue to expand its network and maintain content quality to meet client expectations.

The Group will continue to enhance its operational processes and compliance measures to support the steady development of the VSING Business.

### 2. Risk of failing to renew its licenses

The logistics services in Malaysia are regulated by specific legislations regulating freight forwarding or customs clearance, warehousing, and transportation. To undertake such business, various registrations, approvals and licenses are required to be obtained from regulatory authorities in Malaysia. In providing integrated logistics services in Malaysia, the Group has obtained various permissions, certificates, licenses and approvals, including customs agent license, approval to carry out commercial activity in a free commercial zone, operator's license for group vehicles, business and advertisement license and pioneer status certificate. The Group may face difficulty in providing its integrated logistics services if it fails to renew or obtain its licenses and permissions.

The Group has subcontracted its customs clearance and part of its transportation business to subcontractors. Should the Group fail to renew relevant licenses, it can subcontract relevant services to these existing subcontractors.

### 3. Risk of cargo hijacking, theft and damages

Risks of cargo hijacking and theft incidents are inherent to the nature of the Group's integrated logistics services business. Future terrorist or extremist attacks, or the threat of such attacks, and cargo hijacking may increase the costs of the Group's operations and reduce demand for the Group's services.

The Group has adopted risk management measures such as Global Positioning System (a space-based global navigation satellite system that provides location and time information anywhere on earth), and paid security escort services. The Group also maintains insurance policies against loss and damage to its customers' cargo. There is a limitation of liability for loss and damage of cargo during transportation set by relevant freight associations.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 4. Risk of being fined for illicit goods transported by its customers

Overseas freight forwarders may pass referral businesses or subcontract local sub-parts of their shipments to the Group whereby the Group has no control over, and no comprehension of the customers' nature or the goods they carry other than as declared in relevant declaration forms.

The Group has performed background checks on new customers and will file a police report for any unclaimed and/or suspicious cargo. In order to discharge its liability, the Group will ensure that the security seal of the cargo remained intact to maintain the integrity of the cargo during the course of transportation.

### 5. Risk of increase in freight and transportation cost

The Group incurs significant costs in procuring cargo space from airlines and ocean carriers, as well as providing or arranging for land transportation services overseas. Freight costs are significantly affected by a variety of factors, including fuel prices, exchange rate, the imposition of, or increases in, import or export taxes, the supply of cargo space, market conditions and other factors, many of which are beyond the Group's control.

The Group prices its services on a cost-plus basis, by reference to the types of services provided, costs of cargo spaces, fees of third party service providers etc. It is expected that this risk is mitigated by passing on the cost to the customers whenever possible.

### 6. Risk of over dependent on information technology

The Group's integrated logistics services is highly dependent on information technology and currently uses three systems and one software to manage its customs declaration, operation, payroll and accounting, respectively. Our information systems allow customers to log in to track and trace their cargo, and monitor the level of inventory they have placed for storage at the Group's warehouses. The hardware or software failure relating to IT systems could significantly disrupt customer workflows and cause economic losses for which the Group could be held liable and which could damage its reputation.

The Group has in place a disaster recovery plan covering the critical application analysis, recovery timing and damage assessment and server for external backup.

### 7. Risk of handling goods containing dangerous or chemical substances

Type of substances classified as dangerous goods include explosives, flammable liquids and gases, corrosives, chemically reactive or acutely toxic substances. Products such as handphone, notebooks with batteries, ink are also considered by the industry as dangerous goods. It is required by the industry that only companies with at least 2 licences holders who have attended the dangerous goods regulation course and passed the examination can handle goods contain dangerous or chemical substances for export.

The Group has more than 2 licences holders, therefore, it is eligible to handle the dangerous goods. The Group has standard procedures for its employees to follow in handling of dangerous goods. Further, the Group will only transport dangerous goods if the Group obtained confirmation from airlines/shipping liners that such goods are acceptable to them.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Foreign Currency Risk

The Group derives a significant portion of its revenue in USD from international operations. While the Group's local customers and local suppliers settle with the Group in RM and EUR, quotes from suppliers are usually made in USD and EUR for shipping cargo space. Normally, the Group's receipt in USD and EUR are more than its payment in USD and EUR. In other words, the Group is accumulating USD and EUR. The management will monitor foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating result.

As at 31 December 2025 and 2024, the Group did not enter into any foreign currency forward contracts. However, the management will monitor the foreign currency exposure and will consider hedging significant foreign currency exposure if necessary.

### Employees and Remuneration Policy

As at 31 December 2025, the Group has a total of 603 (2024: 498) full-time employees. The total employee remuneration including remuneration of the Directors for the Financial Year amounted to RM13.1 million (2024: RM17.4 million).

The Group recognises that its success is dependent on its employees. The Group recruits its employees based on their industry experience and interpersonal skills. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management. The Company regularly provides discretionary bonuses to its senior management and key employees as incentive.

### Change of Company Name

Subsequent to the passing of the special resolution approving the change of Company name by the Shareholders at the extraordinary general meeting held on 26 September 2025, the certificate of incorporation on change of name was issued by the Registrar of Companies in the Cayman Islands on 26 September 2025 certifying that the Company has changed its English name from "WORLDGATE GLOBAL LOGISTICS LTD" to "VSING Limited" and dispensed with the existing dual foreign name in Chinese of the Company, being "盛良物流有限公司" effect from 26 September 2025. The Company has not adopted any new dual foreign name. The certificate of registration of alteration of name of registered non-Hong Kong company was issued by the Companies Registry in Hong Kong on 15 October 2025 confirming the registration of the Company's new English name of "VSING Limited" in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The Board believed that the new Company name can provide the Company with a new corporate image and identity, which would benefit the Company's business development and is in the best interests of the Company and the Shareholders as a whole.

### Significant Events After the Reporting Period

#### Lapse of Placing of New Shares Under General Mandate

On 1 December 2025, the Company and Grand Moore Capital Limited (the "Placing Agent") entered into a placing agreement (the "Placing Agreement") pursuant to which the Company appointed the Placing Agent to place, on a best-effort basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 150,000,000 Placing Shares to not less than six independent Placees at a price of HK\$0.4 per Placing Share.

On 19 December 2025, the Company and the Placing Agent entered into a supplemental agreement (the "Supplemental Agreement") to extend the Long Stop Date from 22 December 2025 to 12 January 2026.

On 12 January 2026, the Board announced that as the condition of the Placing Agreement (as supplemented by the Supplemental Agreement) had not been fulfilled on or before the Long Stop Date (i.e. 12 January 2026), the Placing Agreement (as supplemented by the Supplemental Agreement) lapsed on 12 January 2026.

## CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

For details, please refer to the announcements of the Company dated 1 December 2025, 15 December 2025, 19 December 2025, 22 December 2025 and 12 January 2026 (collectively, the "Announcements"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

### Changes in directorship and change of the composition of the Board Committees

1. Mr. Ma Kin Hung, an independent non-executive Director, passed away on 6 April 2026.
2. Mr. Lai Kwok Hei was appointed as a member of Remuneration Committee with effect from 13 April 2026.
3. Ms. Wong Hoi Yan Audrey was appointed as the chairperson and a member of the Nomination Committee with effect from 13 April 2026.

Save as disclosed above, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2025 and up to the date of this annual report.

### Use of Proceeds from Share Placings

On 12 February 2025, the Company and Grand Moore Capital Limited as the Placing Agent entered into the Placing Agreement pursuant to which the Company appointed the Placing Agent to place, on a best effort basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 126,720,000 Placing Shares to not less than six independent Placees at a price of HK\$0.1 per Placing Share.

The completion of the Placing took place on 28 February 2025. An aggregate of 126,720,000 Placing Shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, had been successfully placed to not less than six Placees at the Placing Price of HK\$0.1 per Placing Share. The aggregate nominal value of the Placing Shares was HK\$12,672,000.

The net proceeds from the Placing, after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing, were approximately HK\$12.3 million. The Company intended to apply approximately 40% of the net proceeds, in the approximate amount of HK\$5 million, for the manufacturing and sale of plastic product in Vietnam and approximately 60% of the net proceeds, in the approximate amount of HK\$7.3 million, for general working capital of the Group. Further details of the Placing were set out in the announcements of the Company dated 12 February 2025 and 28 February 2025.

Set out below are details of the planned use of the net proceeds and actual use of proceeds up to 31 December 2025. All the net proceeds have been fully utilized during the Financial Year.

	Planned use of proceeds HK\$'000	Actual use of proceeds up to 31 December 2025 HK\$'000
Manufacturing and sale of plastic product in Vietnam	5,000	5,000
General working capital of the Group	7,300	7,300
	12,300	12,300

## DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Mr. Ngu Sing King (“Mr. Ngu”)**, aged 50, was appointed as an executive Director and chairman of the Board (the “**Chairman**”) on 4 August 2025. Mr. Ngu is also a director of certain subsidiaries of the Group.

Mr. Ngu is an experienced executive with a strong background in digital entertainment and interactive gaming. Mr. Ngu is the founder of SKYZER VC Group which promotes smart technology integration and innovative entertainment solutions. Mr. Ngu is the co-founder of VARLIVE, a digital entertainment company offering multiplayer and multi sensory virtual reality games and the chief executive officer of GOLFZON which operates indoor golf simulators. He also provides strategic guidance and oversight as executive advisor of V Sing International Limited which operates a social entertainment platform known as “VSING” that utilizes modern technologies to enhance the experiences of audiences and karaoke singers/performers in their leisure and entertainment activities.

Previously, Mr. Ngu was executive director of PONGCONNECT between 2017 and 2019 and DARTSLIVE between 2008 and 2015. The former creates interactive pong games and the latter creates innovative digital dart games. As the founder and CEO of multiple companies, he has driven growth and innovation. His passion is creating immersive experiences that merge virtual and real worlds to provide unparalleled entertainment.

Mr. Ngu has approximately 41.1% effective interest in V Sing Holdings Limited, the substantial shareholder of the Company, and is deemed to be interested in 295,127,610 Shares, representing 27.37% of the issued share capital of the Company.

**Mr. Lai Kwok Hei (“Mr. Lai”)**, aged 42, was appointed as an executive Director on 21 May 2019. He is primarily responsible for overall strategic planning and management of the Group. Mr. Lai holds a bachelor degree of business administration in Accountancy from The Open University of Hong Kong (renamed to Hong Kong Metropolitan University in 2021). He has more than 11 years of experience in financial, accounting and financial management. Prior to joining the Company, Mr. Lai was the general manager of a subsidiary of a listed company in Hong Kong. Mr. Lai was appointed as the Chairman on 24 August 2019 and resigned on 4 August 2025. He was also appointed as the member of nomination committee of the Board (the “**Nomination Committee**”) on 24 August 2019 and a member of remuneration committee of the Board (the “**Remuneration Committee**”) on 13 April 2026. Mr. Lai is also a director of certain subsidiaries.

**Mr. Chan Kin Ho, Philip (“Mr. Chan”)**, aged 48, was appointed as an executive Director on 10 September 2021. Mr. Chan is the Chief Executive Officer and the Compliance Officer of the Company. Mr. Chan was graduated from the University of Hong Kong with a bachelor’s degree in business administration in accounting and finance. Mr. Chan is a certified public accountant under the Hong Kong Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. Mr. Chan is also a chartered financial analyst. Mr. Chan has over 21 years of experience in finance, accounting, external and internal auditing in both Hong Kong and the People’s Republic of China. Mr. Chan had worked in the assurance and advisory department of Deloitte Touche Tohmatsu Limited and KPMG and as a business area controller in the financial controlling division of Deutsche Bank AG. Mr. Chan was the group financial controller of Xinhua Sports & Entertainment (HK) Limited, a wholly-owned subsidiary of Xinhua Sports & Entertainment Limited (PINK: XSELY) and was the vice president – finance for Tiger Media, Incorporation (formerly known as SearchMedia Holdings Limited), a company formerly listed on American Stock Exchange. He also worked as company secretary of China Digital Culture (Group) Limited and an independent non-executive director of China Machinery Engineering Corporation. Mr. Chan has been an executive director of Willing International Capital Limited since 2012.

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### Independent Non-Executive Directors

**Ms. Wong Hoi Yan Audrey** (“**Ms. Wong**”), aged 56, was appointed as an Independent Non-Executive Director on 21 May 2019. She is the chairperson of each of the Remuneration Committee, the audit committee of the Board (the “**Audit Committee**”) and the Nomination Committee.

Ms. Wong, has over 22 years of experience in accounting, financial control, banking, corporate finance and asset management. She served a number of Hong Kong listed companies in the areas of manufacturing, trading and properties development; banking and financial institutions. Ms. Wong holds a Master Degree in Corporate Finance from Hong Kong Polytechnic University. In addition, she is a fellow member of the Hong Kong Institute of Certified Public Accountant and a Certified Public Accountant in the Washington State of the USA.

**Ms. Cheung Choi Hung** (“**Ms. Cheung**”), aged 38, was appointed as an Independent Non-Executive Director on 16 June 2023. She is a member of each of the Audit Committee, Remuneration Committee and Nomination Committee.

She holds a higher diploma of public relations and advertising from School of Continuing Professional Studies of Chinese University of Hong Kong. She has more than 12 years of experience in public relations, strategic marketing analysis and operations. Ms. Cheung has served as customer investment analyst of Cornerstone Financial Holdings Limited, a listed company in Hong Kong.

### Senior Management

**Ms. Lee Li Ngut** (“**Ms. Lee**”), aged 51, was re-designated as the senior vice president of finance for the Group on 1 March 2016. She is responsible for managing the Group’s finance and accounts.

Ms. Lee has over 20 years of experience in accounting. From 1999 to 2000, Ms. Lee worked at Damai Laut Golf Resort as an accounts and administration officer. She joined the Group on 19 September 2000 as an account executive and became a group finance manager on 1 October 2013.

Ms. Lee received a Bachelor of Science in Accounting and Finance from the University of London as an external student in August 1999. She has also completed the bills of lading – liability & claim course organised by Maritime Disputes & Training Consultancy Services in July 2004, budgeting & forecasting course organised by RCJ Consulting Sdn. Bhd. in August 2005, customer service skills for logistics professionals organised by Ldeapro Logix Sdn. Bhd. in October 2009, understanding ISO9001:2000 quality management system organised by Cambridge Management Sdn. Bhd. in August 2008, and warehousing safety and transport safety organised by I-World Technology Sdn. Bhd. in January 2015.

**Mr. Lee Cwen Wei** (“**Mr. Lee**”), age 34, was appointed as a director of the subsidiaries in Malaysia on 2 January 2020, subsequently appointed as a director of sales on 2 January 2021. His primary responsibilities are to enhance sales for both local and international market, ensure customer satisfaction, and to improve or maintain a good service level to the clientele. His secondary responsibilities are to oversee the Pricing division to maintain a competitive advantage in terms of pricing, and to administer the Penang, Melaka branch, and the Customer Service Department. Mr. Lee holds a Master’s Degree in Electrical and Electronics Engineering, and a certification under Certified International Logistics Manager (CILM). He is also an executive agent of the Malaysian Customs, and has completed multiple certifications, such as “Halal Awareness Training on MS1500-2019 Halal Food General Guidelines and MS2400-2019 Halal Logistics Standard”, “ISO9001:2015 Refresher Program”, and “Understanding the Requirements for Goods Distribution Practices for Medical Devices (GDPMD)”. He has over 10 years of experience in various business units and sectors of the logistics industry. Capitalizing on his strong critical thinking, troubleshooting, and management skills, Mr. Lee is instrumental in the full business development process of Worldgate Express Services Sdn Bhd.

## DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

**Mr. Nguyen Hong Phong (“Mr. Nguyen”)**, aged 36, is the general manager of the factory in a subsidiary of the Company since 10 January 2023. Mr. Nguyen was appointed as the quality control manager on 22 October 2019. Mr. Nguyen is responsible for the general management and supervision of the production operation.

Mr. Nguyen holds a bachelor degree of information technology in University of Dalat. He has over 12 years of experience in factory manufacturing.

**Mr. Le Yong Chin, Ivan (“Mr. Le”)**, aged 35, was appointed as the Chief Executive Officer for the Group’s Interactive Entertainment Technology Platform and Software Business which operating the social space interactive entertainment brand – VSING, focused on music. Mr. Le is mainly leading the business to be a global music-centric interactive social platform, promoting communication through music and innovating gameplay based on its power. He also spearheads product research and development, designs the comprehensive VSING game plan, economy, and ecosystem, etc.

Prior joining VSING International Limited, Mr. Le founded the successful esports brand Warlord in 2015, established a retail chain, hosted events, sponsored semi-professional teams, and supported the esports community. Mr. Le then joined two Tech Entrepreneurships, namely Codebento Sdn Bhd from 2018 to 2020 and VSNAP Technologies Sdn Bhd from 2020 to 2021, both as CEO.

Mr. Le studied at Monash University from 2009 to 2012 in Engineering Leadership Program and holds a bachelor degree of chemical engineering in Monash University Malaysia. He has over 8 years’ experience in developing skills in design, video editing, software development, and IT logic through continuous entrepreneurship.

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Practices

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has complied with the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing Securities on the GEM (the “**GEM Listing Rules**”). Throughout the Financial Year and up to the date of this annual report, the Company has complied with all applicable code provisions as set out in the CG Code.

## Securities Transactions by Directors

The Company has adopted a code of conduct regarding directors' securities transaction on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Financial Year.

## Board of Directors

### Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's mission and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives and to maximize the interest of the Company and its shareholders.

The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of the Stock Exchange and the Company. The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The management of day-to-day operation of the Group's businesses and implementation of the business plans, strategies and policies adopted by the Board has been delegated to the senior management of the Group.

The functions performed by the Board include but are not limited to the following matters:

- formulating the Group's strategy and direction and monitoring the implementation thereof;
- deciding all material contracts, acquisitions, investments, divestments, disposals of assets or any significant capital expenditure;
- approving of the Group's financial statements, published reports, price sensitive announcement and other disclosure required under the GEM Listing Rules;

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- developing, monitoring and reviewing the Group's corporate governance practices and the effectiveness of the Group's financial controls, internal control and risk management systems;
- Board appointment and other major appointments or removal; and
- monitoring the performance of the management.

The Directors have full and timely access to information and accounts of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

### Composition

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

As at the date of this annual report, the Board comprises of five Directors, including three executive Directors and two INEDs, of which the INEDs in aggregate represent more than one-third of the Board members. Details of their composition by category are as follows:

#### **Executive Directors**

Mr. Ngu Sing King, *Chairman*

Mr. Lai Kwok Hei

Mr. Chan Kin Ho, Philip, *Chief Executive Officer*

#### **Independent Non-executive Directors**

Ms. Wong Hoi Yan Audrey

Ms. Cheung Choi Hung

Mr. Ma Kin Hung (passed away on 6 April 2026)

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

On 4 August 2025, Mr. Ngu Sing King obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules. Mr. Ngu has confirmed that they understood their obligation as a Director.

There was no financial, business, family or other material/relevant relationship among the Directors during the Financial Year and up to the date of this annual report.

All INEDs are appointed for an initial fixed term of one year and shall continue thereafter until terminated by either party by giving not less than three months' prior notice in writing at any time after such initial fixed term. Each of such appointments is subject to the rotation and retirement provision in the Articles of Association of the Company (the "Articles").

The INEDs have brought in a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will make various contributions to the Company.

The Company has received from each of the INEDs an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules, and the Company considers the INEDs to be independent.

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

Following the passing away of Mr. Ma Kin Hung on 6 April 2026, the Company was unable to meet Rules 5.05(1) and 5.28 of the GEM Listing Rules where the Board has only two INEDs and the Audit Committee comprises of two members. The remaining two INEDs represents over one-third of the Board and one of the INEDs has appropriate professional qualifications, or accounting or related financial management expertise which in compliance with Rule 5.05(2) and 5.05A of the GEM Listing Rules. The Board will use its best endeavors to identify a suitable candidate for appointment as an INED within three months after 6 April 2026.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Continuing Professional Development

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

All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, all current Directors, namely Mr. Ngu Sing King, Mr. Lai Kwok Hei, Mr. Chan Kin Ho Philip, Ms. Wong Hoi Yan Audrey and Ms. Cheung Choi Hung had participated in continuous professional development by attending seminars/training and program/reading materials.

### Meetings of Board and Directors' Attendance Records

During the Financial Year, the Board held four meetings, at which the Directors discussed and approved, amongst other matters, (i) the placing of new shares under the general mandate; (ii) major transaction; (iii) the Group's consolidated results for the year ended 31 December 2024, the risk management and internal control systems of the Group (the "**Risk Management and Internal Control Systems**") and the Environmental, Social and Governance Report (the "**ESG Report**"); and (iv) the Group's consolidated results for the six months ended 30 June 2025.

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice is given in a reasonable time in advance. The Directors are allowed to include any other matters in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, an agenda and the accompanying Board papers together with all appropriate and relevant information in relation to the matters of the meetings are sent to all Directors at least three days before the intended date of each regular Board meeting and three days or such other period as agreed before each other Board meeting.

All Directors should have access to the advice and services of the company secretary of the Company (the "**Company Secretary**") with a view to ensuring that Board procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the GEM Listing Rules, any Directors and their associates (as defined in the GEM Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from voting on resolutions approving such transactions and are not counted in the quorum of the meetings.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The attendance of each Director at the Board meetings during the Financial Year is as follows:

Name of Directors	Board meetings attended/ Eligible to attend
<b>Executive Directors</b>	
Mr. Ngu Sing King ( <i>Chairman</i> )	1/1
Mr. Lai Kwok Hei	4/4
Mr. Chan Kin Ho, Philip ( <i>Chief Executive Officer</i> )	4/4
<b>Independent Non-executive Directors</b>	
Ms. Wong Hoi Yan Audrey	4/4
Ms. Cheung Choi Hung	4/4
Mr. Ma Kin Hung (passed away on 6 April 2026)	3/4

### Chairman and Chief Executive

According to the Code Provision C.2.1 of the CG Code, the roles of the Chairman and the Chief Executive Officer should be separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Mr. Lai Kwok Hei, the executive Director, resigned as the Chairman on 4 August 2025 while Mr. Ngu Sing King, the executive Director, has been appointed as the Chairman on 4 August 2025 and is responsible for the leadership of the Board. Mr. Chan Kin Ho Philip, the executive Director, is the Chief Executive Officer and is responsible for managing the Group's business and overall operations.

### Board Committees

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

The written terms of reference for Board Committees are posted on the respective websites of the Stock Exchange and the Company.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Audit Committee

The Company established the Audit Committee on 17 June 2016 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code. The Audit Committee comprises all INEDs, namely Ms. Wong Hoi Yan Audrey and Ms. Cheung Choi Hung. Ms. Wong Hoi Yan Audrey is the chairperson of the Audit Committee.

The principal functions of the Audit Committee include, but not limited to:

#### *Relationship with the Company's auditor*

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards, discussing with the auditor the nature and scope of the audit and reporting obligations before the audit commences; and
- developing and implementing policy on engaging an external auditor to supply non-audit services (For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally) and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed.

#### *Review of the Company's financial information*

- reviewing and monitoring the integrity of the Company's financial statements and annual reports and accounts, half-yearly reports and quarterly reports (if any), and to review significant financial reporting judgements contained in them. In reviewing these reports before submission to the Board, the Committee should focus particularly on:
  - (i) any changes in accounting policies and practices;
  - (ii) major judgmental areas;
  - (iii) significant adjustments resulting from audit;
  - (iv) the going concern assumptions and any qualifications;
  - (v) compliance with accounting standards; and
  - (vi) compliance with the GEM Listing Rules and legal requirements in relation to financial reporting.
- regarding the above paragraph:
  - (i) liaising with the Board and senior management and meeting, at least twice a year, with the Company's auditor; and
  - (ii) considering any significant or unusual items that are, or may need to be, reflected in the report and accounts, giving due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditor.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### *Oversight of the Company's financial reporting system and internal control procedures*

- reviewing the Company's financial controls, internal control and risk management systems;
- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have an effective systems including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- considering major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- reporting to the Board on the matters in the terms of reference of Audit Committee;
- reviewing arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- acting as the key representative body for overseeing the Company's relations with the external auditor; and
- considering other topics, as defined by the Board.

During the Financial Year, the Audit Committee held two meetings, at which the Audit Committee reviewed and discussed (i) the Group's consolidated results for the year ended 31 December 2024 and the risk management and internal control system; and (ii) the Group's consolidated results for the six months ended 30 June 2025.

The attendance of each member at the Audit Committee Meeting during the Financial Year is as follows:

Name of Directors	Number of attendance/ number of meetings
Ms. Wong Hoi Yan Audrey ( <i>Chairperson</i> )	2/2
Ms. Cheung Choi Hung	2/2
Mr. Ma Kin Hung (passed away on 6 April 2026)	1/2

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Audit Committee has reviewed the Company's audited consolidated financial results for the Financial Year, including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code and disclosure in this Corporate Governance Report, the effectiveness of the Group's internal control and risk management systems and the Group's internal audit function and recommended to the Board for consideration the same and the re-appointment of Elite Partners CPA Limited ("Elite") as the Company's external independent auditors at the forthcoming annual general meeting ("AGM").

### Remuneration Committee

The Company established the Remuneration Committee on 17 June 2016 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the CG Code. Currently, the Remuneration Committee comprises two INEDs, namely, Ms. Wong Hoi Yan Audrey and Ms. Cheung Choi Hung, and one executive Director, Mr. Lai Kwok Hei (appointed on 13 April 2026). Ms. Wong Hoi Yan Audrey is the chairperson of the Remuneration Committee.

The principal functions of the Remuneration Committee include, but not limited to:

- making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- making recommendations to the Board on the specific remuneration packages of executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment substantially based in individual's performance;
- making recommendations to the Board on the remuneration of NEDs;
- considering salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group, and ensuring that the levels of remuneration should be sufficient to attract and retain directors needed to run the Company successfully but without paying more than is necessary;
- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is determined in accordance with contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are determined in accordance with contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- advising shareholders of the Company on how to vote in respect of any service contracts of directors that require shareholders' approval in accordance with the Listing Rules;
- determining the criteria for assessing employee performance, which should reflect the Company's business objective and targets;
- doing any such things to enable the Remuneration Committee to discharge its powers and functions conferred on it by the Board;
- conforming to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the constitution of the Company or imposed by legislation; and
- reviewing and/or approve matters relating to share schemes under Chapter 23 of the GEM Listing Rules (as amended from time to time).

## CORPORATE GOVERNANCE REPORT (CONTINUED)

During the Financial Year, the Remuneration Committee held one meeting, at which the Remuneration Committee reviewed and discussed the remuneration packages for the Directors, individual executive Directors and senior management and making recommendations to the Board. Moreover, all members of the Remuneration Committee has resolved the proposed remuneration of Mr. Ngu Sing King as an executive Director and the Chairman for Board approval by way of written resolutions on 4 August 2025. There is no material matters relating to share schemes under Chapter 23 of the GEM Listing Rules during the Financial Year.

The attendance of each member at the Remuneration Committee Meeting during the Financial Year is as follows:

Name of Directors	Number of attendance/ number of meetings
Ms. Wong Hoi Yan Audrey, <i>Chairperson</i>	1/1
Ms. Cheung Choi Hung	1/1
Mr. Ma Kin Hung (passed away on 6 April 2026)	1/1

Details of the Directors' remuneration and five highest paid individuals for the Financial Year as regarded to be disclosed pursuant to the CG Code are provided in note 11 to the consolidated financial statements.

During the Financial Year, the remuneration of the senior management is listed below by band:

	Number of individuals
HK\$1 to HK\$1,000,000	4

### Nomination Committee

The Company established the Nomination Committee on 17 June 2016. The Nomination Committee comprises one executive Director and two INEDs, namely Mr. Lai Kwok Hei, Ms. Wong Hoi Yan Audrey and Ms. Cheung Choi Hung. Ms. Wong Hoi Yan Audrey is the chairperson of the Nomination Committee.

The principal functions of the Nomination Committee include, but not limited to:

- reviewing the structure, size and composition (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, diversity profile and length of service) of the Board at least annually, assist the Board in maintaining a Board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- reviewing the implementation and effectiveness of mechanisms to ensure the Board has access to independent views and opinions;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of the INEDs in accordance with the GEM Listing Rules and whether the candidates would be considered independent with references to the independence guideline set out in the GEM Listing Rules;

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- making recommendations to the Board on the appointment or re-appointment of Directors;
- supporting the regular evaluation of the performance of the Board;
- reviewing the Board Diversity Policy and Nomination Policy (the “Policies”) as appropriate; monitoring the implementation of the Policies and reviewing the measurable objectives set by the Board for implementing the Policies, and the progress of achieving the objectives; and making disclosure of its review results and reporting on the Board’s composition under diversified perspectives in the Corporate Governance Report annually;
- reviewing annually the time commitment required of Directors and evaluating whether Directors have committed adequate time to discharge their responsibilities; and
- reviewing succession planning for Directors, in particular, the chairman of the Board and the chief executive of the Company as well as for the senior management of the Company, after taking into account the Company’s corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, together with the Board, as appropriate.

### **Board Diversity Policy**

The Board has adopted a policy of the Board diversity (the “**Board Diversity Policy**”) and discussed all measurable objectives set for implementing the Board Diversity Policy. The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the objectives of the Board Diversity Policy.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.

An appropriate balance of diversity was maintained on the Board, which comprised members of both gender. All appointments of Directors will take into account the measurable objectives with regard to the benefits of diversity on the Board to develop a pipeline of potential successors to the Board to maintain gender diversity. At as 31 December 2025, the Board was comprised of approximately 67% male and approximately 33% female.

As at 31 December 2025, the gender ratio in the workforce (including senior management) of the Group of female and male are approximately 62.69% and 37.31% respectively, which the Board considers to reflect that a gender equality principle has been adhered to by the Group. The Board has not identified any challenges for maintaining gender diversity in the workforce so far. The Group is determined to and will continue to maintain gender diversity and equality in terms of the Board and the general workforce.

### **Nomination Policy**

The Company has formulated the Nomination Policy which aims to lay down procedures for the appointment of new members of the Board to ensure balance of the Board in skill, experience and diversity in perspectives and satisfy the business requirement of the Company.

When selecting new directors or filling casual vacancies, the Nomination Committee will consider the candidate’s professional qualification and skill, integrity and reputation, achievement and experience in the industry in which the Company operates, and his/her time commitment. The Nomination Committee will nominate candidate and considers appropriate with reference to the benchmark of the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skill, knowledge and lengths of service, etc.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

According to the nomination procedures of the Nomination Policy, the Nomination Committee will convene a meeting and invite Board members to nominate candidates. Suitable candidates will then be submitted to the Board for consideration and approval. Any Director appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the first annual general meeting of members after his/her appointment and be subject to re-election at such meeting. The Company will send a circular to the Shareholders which will contain information of the directors to be re-elected for Shareholders' reference in relation to their voting as required by Rule 17.50(2) of the GEM Listing Rules.

Under the CG Code, where the Board proposes a resolution to elect an individual as an independent non-executive director at the general meeting, it should set out relevant content in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting.

During the Financial Year, the Nomination Committee held one meeting, at which the Nomination Committee reviewed and discussed (i) the structure, size and composition of the Board; (ii) the independence of the INEDs; and (iii) the re-appointment of all the retiring Directors at the AGM held on 6 June 2025 and recommended to the Board their re-appointments. Moreover, all members of the Nomination Committee has resolved the proposed nomination of Mr. Ngu Sing King as an executive Director and the Chairman for Board approval by way of written resolutions on 4 August 2025.

The attendance of each member at the Nomination Committee Meeting during the Financial Year is as follows:

Name of Directors	Number of attendance/ number of meetings
Mr. Lai Kwok Hei	1/1
Ms. Cheung Choi Hung	1/1
Mr. Ma Kin Hung, <i>chairman</i> (passed away on 6 April 2026)	1/1

### Corporate Governance Functions

The Board recognises that corporate governance should be the collective responsibility of the Directors which include, but are not limited to:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the Financial Year, the Board has reviewed the performance of the above corporate governance functions.

### Auditors' Remuneration

For the Financial Year, Elite was engaged as the Group's independent auditors. Apart from the provision of annual audit services, Elite also provided the non-audit services in relation to services for agreed upon procedures report on agreement with the preliminary announcement of results.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The remuneration paid/payable to the auditors, for the Financial Year is set out below:

Category of services	Amounts RM'000
Audit services	336
Non-Audit services	301

### Accountability and Audit

The Board is committed to provide a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in annual and interim reports, and other financial disclosures required by the GEM Listing Rules. The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group which give a true and fair view of the state of affairs of the Company and the Group's results and cash flow for the Financial Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards.

The management also provides the Board with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules.

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

In addition, Elite has stated in the independent auditor's report its reporting responsibilities on the Company's consolidated financial statements for the Financial Year.

### Risk Management and Internal Control

The Board has overall responsible for the design, implementation, monitor and review of the Group's internal control system including the internal control and risk management for the Company to ensure their effectiveness and efficiency. The objective of internal control is to safeguard the Company's assets and ensure its accounting records are properly maintained, so that all the financial information is accurate and reliable. The Group has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving the objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. All employees are committed to continually enhancing the risk management measures to ensure that these measures work in line with the growth of our business strategies and integrated into day-to-day operation of the business. The Board shall at least annually review its risk management and internal control system.

The objective of the risk management and internal control of the Group include:

- establishing and constantly improving the risks management and internal control system;
- ensuring the Group's risk management and internal control in compliance with the GEM Listing Rules requirements;
- implementing the top-down approach and bottom-up approach that covers every aspect of the business; and
- managing rather than eliminating the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

In order to continually improve the Group’s internal control and risk management system, the Group has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures that the Group has established and implemented are summarised as follows:

- segregating duties and functions of the respective operational departments of the Group;
- reviewing systems and procedures to identify, measure, manage and control risks; and
- updating the staff handbook, internal control manual and compliance manual where there are changes to business environment or regulatory guidelines.

The Board, by the top-down approach, has a particular focus on determining the nature and extent of significant risks, it is willing to take in achieving the business strategies of the Group. The key risks related to the Group’s businesses and to the industries in which the Group operates were set out in the section headed “Principal risks and uncertainties” of Chairman statement and Management Discussion and Analysis.

Each department of the Group is responsible for identifying its own risks and designing, implementing and monitoring the relevant risk management and internal control systems. The process involves the maintenance of staff handbook, internal control manual and compliance manual setting out the particulars of material risks together with the control measures as reported by significant departments of the Group. This bottom-up approach is integrated into day-to-day operation and complements the top-down strategic view by identifying the principal risks and ensuring the significant risks to be considered by the Board in determining the risk appetite and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company’s accounting and financial reporting function.

The diagram below summarises the complementary top-down and bottom-up aspects of the integrated approach of the Group to risk management and internal control.

### Reporting on Risk Management and Internal Control Systems



## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Board has, through the Audit Committee and with the assistance of the management, internal auditors and external auditors, conducted a review of the effectiveness of the Group's risk management and internal control system including financial, operational and compliance controls for the Financial Year. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group also engaged an independent internal control consultant to perform the review on internal control of the Group for the Financial Year, including cash and treasury management functions.

The Board has conducted a review of the effectiveness of the risk management, internal control system and internal audit function of the Group through discussion with the Audit Committee on major findings and control issue. The Board considers that the Group has implemented appropriate procedures safeguarding the Group's assets and ensure its accounting records are properly maintained and in compliance of the relevant laws and regulations. In addition, the Board also considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and internal audit and financial reporting function.

### Handling and Dissemination of Inside Information

The Company has established and maintained the procedures and internal controls for the handling and dissemination inside information. The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.46 to 5.67 of the GEM Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. The Group has strictly prohibited unauthorised use of confidential or insider information or any use of such information for the advantage of himself/herself or others. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the GEM Listing Rules will be announced on the respective websites of the Stock Exchange and the Company in due course.

### Company Secretary

Ms. Tsang Oi Yin ("**Ms. Tsang**") has been appointed as the Company Secretary on 7 June 2024. Ms. Tsang is an associate member of both The Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom. During the Financial Year, Ms. Tsang had taken not less than 15 hours of relevant professional training. Her primary contact person at the Company is Mr. Lai Kwok Hei, the executive Director.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Shareholders' Rights

#### Procedures for Shareholders to convene an extraordinary general meeting (the "EGM")

Pursuant to the Article 58 of the Articles, any one or more Shareholder holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

The requisition must state clearly the name of the Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene the EGM and the proposed agenda.

#### Procedures for Shareholders to send enquires to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong, presently at Unit 5D, 5/F, Hang Cheong Factory Building, No. 1 Wing Ming Street, Kowloon, Hong Kong.

### Communication with the Shareholders

The Board has the overall responsibility to ensure that the Company maintains on-going dialogue with Shareholders and in particular, use annual general meetings or other meeting to communicate with Shareholders and encourage their participation.

Information will be communicated to the Shareholders through convening the annual general meeting or general meeting, publication of annual, interim and quarterly reports (if any), notices, announcements, circulars as well as all the disclosures submitted to the respective websites of the Stock Exchange and the Company.

During the Financial Year, the Company held three general meetings at 6 June 2025, 17 July 2025 and 26 September 2025, respectively (the "General Meetings").

The Chairman and the executive Directors attended the General Meetings, so as to answer questions raised by Shareholders. The Company highly values the functions of the general meeting as it is considered to be a direct and effective communication channel between the Board and investors of the Company, and thus encourages all Shareholders to attend the general meetings. The Articles have laid out provisions in respect of the rights of the Shareholders including the rights to attend, to receive notices of, and to vote at general meetings.

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The attendance of each Director at the General Meetings is as follows:

Name of Directors	General Meetings attended/ Eligible to attend
<b>Executive Directors</b>	
Mr. Ngu Sing King ( <i>Chairman</i> )	1/1
Mr. Lai Kwok Hei	3/3
Mr. Chan Kin Ho, Philip ( <i>Chief Executive Officer</i> )	3/3
<b>Independent Non-executive Directors</b>	
Ms. Wong Hoi Yan Audrey	3/3
Ms. Cheung Choi Hung	3/3
Mr. Ma Kin Hung (passed away on 6 April 2026)	3/3

The Board considers that general meetings of the Company provide an important channel for the Shareholders to exchange views with the Board.

### Dividend Policy

In accordance with the CG Code, the Company formulated the Dividend Policy to set out the principles for the Board to consider before making any dividend distribution. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, included but not limited to: (i) the general financial condition of the Group; (ii) working capital and debt level of the Group; (iii) future cash requirements and availability for business operations, business strategies and future development needs; (iv) any restrictions on payment of dividends that may be imposed by the Group's lenders; (v) the general market conditions; and (vi) any other factors that the Board deems appropriate.

After considering the plan and proposal of the management, the Board may, at its discretion, propose or decide to distribute interim dividends. Final dividends shall be proposed to the Shareholders for approval.

### Constitutional Documents

During the Financial Year, there was no amendment made to the constitutional documents of the Company. The third amended and restated memorandum and articles of association of the Company adopted on 7 June 2024 is available on the Company's website and the Stock Exchange's website.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Executive Summary

This Environmental, Social and Governance (“ESG”) Report presents an overview of the ESG performance, policies and initiatives of VSING Limited (the “Company”, together with its subsidiaries, the “Group”) for the year ended 31 December 2025 (the “Reporting Period”).

During the Reporting Period, the Group continued to strengthen its ESG governance framework and integrate sustainability considerations into its business operations. The Group expanded its business portfolio, including the acquisition of a digital entertainment technology business, and enhanced its ESG data collection and management processes to reflect its evolving operational structure.

From an environmental perspective, the Group maintained a focus on energy efficiency, emissions management and responsible resource usage. While air emissions increased in line with the expansion of logistics operations, total greenhouse gas emissions and energy consumption decreased, primarily due to operational adjustments, improved energy management practices and refinement of data collection methodologies. The Group continues to monitor its environmental performance and has established environmental intensity reduction targets by 2030.

On the social front, the Group remains committed to fostering a safe, inclusive and supportive working environment. Employee turnover decreased significantly during the Reporting Period, reflecting changes in workforce structure and enhanced retention. The Group maintained a zero-fatality record over the past three years and continues to prioritise occupational health and safety. Training and development initiatives were enhanced to support employee growth and operational capability.

In terms of governance, the Group upholds high standards of business ethics and integrity. Robust policies and procedures are in place to address anti-corruption, data privacy and compliance matters. A whistle-blowing mechanism has been established to facilitate the reporting of misconduct, with appropriate safeguards to ensure confidentiality and protection for whistle-blowers.

Looking ahead, the Group will continue to enhance its ESG management practices, strengthen data collection processes and improve transparency in disclosures. The Group remains committed to sustainable development and aims to create long-term value for its stakeholders while managing environmental and social impacts responsibly.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### About the Report

#### Introduction

VSING Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**” or “**we**”) is principally engaged in an interactive entertainment technology platform and software business since July 2025, and is engaged in the provision of international freight forwarding and logistics services, including air and sea freight forwarding, trucking and warehousing, as well as the manufacturing and trading of plastic products in Vietnam and the trading of used mobile phones.

During the Reporting Period, the Group expanded its business portfolio through the acquisition of a business in the digital entertainment technology sector. The ESG disclosures in this Report have incorporated this newly acquired business where applicable.

This Environmental, Social and Governance Report (the “**Report**” or “**ESG Report**”) provides an overview of the Group’s environmental, social and governance policies, initiatives and performance for the year ended 31 December 2025 and demonstrates the Group’s commitment to sustainable development.

#### Reporting Scope

This Report covers all operating entities of the Group across Hong Kong, Malaysia and Vietnam, which represent the Group’s principal operating locations and sources of revenue during the Reporting Period.

The ESG data disclosed in this Report includes the Group’s logistics operations, manufacturing and trading activities, as well as the newly acquired digital entertainment technology business, unless otherwise stated.

#### Reporting Period

This Report covers the period from 1 January 2025 to 31 December 2025 (the Reporting Period or 2025).

#### Reporting Framework

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the GEM Listing Rules of The Stock Exchange of Hong Kong Limited.

#### Reporting Principles

In preparing this Report, the Group has applied the reporting principles of materiality, quantification, balance and consistency as set out in the ESG Reporting Guide.

Materiality	The Group identified material ESG issues through stakeholder engagement and materiality assessment, and the results were reviewed and confirmed by the Board and the ESG Working Group.
Quantification	Where applicable, this Report discloses quantitative environmental and social key performance indicators and provides information on the standards, methodologies, assumptions and conversion factors used in the preparation of such data.
Balance	This Report presents ESG information in an objective and unbiased manner and seeks to provide a fair representation of the Group’s ESG performance during the Reporting Period.
Consistency	Unless otherwise stated, the reporting scope and methodology adopted in this Report are generally consistent with those used in the previous reporting period. During the Reporting Period, the Group further enhanced its ESG data collection and consolidation processes to improve the accuracy and completeness of disclosures.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Forward-looking Statements

This Report may contain forward-looking statements based on the Group's current expectations, estimates, assumptions and projections about future events and market conditions. Such statements are subject to risks and uncertainties and actual results may differ materially from those expressed or implied.

### Contact Us

The Group values the views of its stakeholders and is committed to continuously improving its ESG performance and disclosures. Stakeholders are welcome to provide comments or suggestions in relation to this Report or the Group's sustainability performance through the Company's website.

### ESG Governance Structure

#### The Board Statement

The Board of Directors (the "**Board**") has overall responsibility for overseeing the Group's environmental, social and governance ("**ESG**") strategy, performance and risk management. The Board recognises the importance of ESG factors in supporting the Group's long-term sustainable development and is committed to integrating ESG considerations into its business strategy and operations.

During the Reporting Period, the Board, with the support of the ESG Working Group, reviewed ESG-related risks and opportunities, assessed the effectiveness of ESG management measures, and monitored progress against ESG objectives and targets.

The Board is responsible for:

- overseeing ESG-related risks and opportunities relevant to the Group's operations
- formulating ESG management approaches, strategies and priorities
- reviewing ESG-related targets and monitoring progress on a regular basis
- ensuring that ESG considerations are incorporated into the Group's business strategy and risk management framework
- reviewing and approving ESG disclosures in the ESG Report

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### ESG Working Group

To support the Board in managing ESG matters, the Group has established an ESG Working Group.

The ESG Working Group comprises members from key functional departments, including the Financial Controller, Human Resources Director, Human Resources Manager and Senior Compliance Manager.

The ESG Working Group is responsible for:

- coordinating ESG data collection and consolidation across the Group
- monitoring ESG performance and evaluating the effectiveness of ESG policies and measures
- identifying ESG-related risks and opportunities and reporting to the Board
- ensuring compliance with applicable ESG-related laws and regulations
- supporting the preparation of the ESG Report

The ESG Working Group conducts regular reviews of ESG-related policies, procedures and performance, and reports its findings and recommendations to the Board to facilitate informed decision-making.

### ESG Management and Reporting Mechanism

The Group has established an ESG management framework to ensure effective oversight and implementation of ESG initiatives across its operations.

The ESG Working Group is responsible for collecting ESG data from various business units and monitoring key performance indicators, including environmental and social metrics. The collected data is reviewed and validated internally before being reported to the Board.

The Board reviews ESG performance periodically and provides strategic direction on ESG priorities, including environmental targets, operational improvements and compliance matters.

Through this structured governance framework, the Group aims to strengthen accountability, enhance risk management and promote continuous improvement in ESG performance.

### Governance Approach

The Group is committed to continuously enhancing its ESG governance framework in line with its evolving business operations and regulatory expectations.

The Group will continue to review and refine its ESG management practices, strengthen internal coordination among business units and enhance data collection processes to improve the quality and reliability of ESG disclosures.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Stakeholder Engagement

The Group recognises the importance of maintaining effective communication with its stakeholders in order to understand their expectations and enhance its ESG performance. Key stakeholders include shareholders and investors, employees, customers, suppliers and business partners, regulators and government authorities, and the community.

During the Reporting Period, the Group engaged with stakeholders through various communication channels, including meetings, corporate disclosures, internal communication platforms and customer feedback mechanisms.

Stakeholder feedback is considered by management and the ESG Working Group in identifying ESG risks and opportunities, improving operational practices and formulating ESG strategies. The Group will continue to strengthen stakeholder engagement to enhance transparency and support sustainable development.

The following table summarises the Group's key stakeholders, communication channels and major concerns:

Stakeholder Group	Communication Channels	Key Areas of Concern
Shareholders and Investors	Annual general meetings, corporate announcements, financial reports, investor enquiries	Financial performance, corporate governance, risk management, long-term business strategy
Employees	Internal meetings, employee training, internal communication platforms, performance evaluations	Employee welfare, occupational health and safety, career development, equal opportunities
Customers	Customer service communication, business meetings, service feedback, contractual agreements	Service quality, operational efficiency, data protection, responsible business practices
Suppliers and Business Partners	Supplier communication, procurement processes, contractual agreements, business meetings	Fair procurement practices, stable cooperation, ethical business conduct
Regulators and Government Authorities	Regulatory filings, compliance reporting, regulatory inspections and communications	Legal compliance, corporate governance, regulatory adherence
Community and the Public	Corporate website, public disclosures, community engagement activities	Environmental protection, corporate responsibility, sustainable development

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Materiality Assessment

The Group recognises that identifying and prioritising material ESG issues is essential to its long-term sustainable development.

During the Reporting Period, the Group conducted a materiality assessment with reference to:

- its business operations and strategic development
- industry practices and ESG trends
- stakeholder feedback collected through ongoing engagement

ESG issues were evaluated based on their potential impact on the Group's business and their importance to stakeholders. The results of the assessment were reviewed and confirmed by the ESG Working Group and the Board.

The identified material ESG topics form the basis of this ESG Report and guide the Group's ESG management focus, disclosures and performance monitoring.

### Impact of Business Development on ESG

During the Reporting Period, the Group completed a major transaction involving the acquisition of 100% equity interest in V Sing Global Limited, representing a strategic expansion into the digital entertainment technology sector.

This business expansion has introduced additional ESG considerations, including:

- integration of newly acquired operations
- sustainability of operational performance
- increased complexity in financial reporting and risk management

As a result, the Group has enhanced its ESG assessment framework to reflect its evolving business structure and associated risks across logistics, manufacturing, trading and digital technology operations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Environmental

The Group is committed to minimising the environmental impact of its operations and promoting sustainable business practices. Given the nature of its business, the Group's primary environmental impacts arise from fuel consumption in logistics operations, electricity usage in offices, warehouses and production facilities, and the generation of non-hazardous waste.

The Group has implemented environmental management measures focusing on energy conservation, emission reduction and efficient use of resources. These include optimising transportation efficiency, adopting energy-saving practices in daily operations and promoting environmental awareness among employees.

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in the jurisdictions where it operates that would have a significant impact on the Group.

### Environmental Targets

To support global efforts in addressing climate change and promoting sustainable development, the Group has established environmental intensity reduction targets by 2030, using 2024 as the base year.

Environmental Indicator	Electricity Consumption Intensity	Water Consumption Intensity	Non-hazardous Waste Intensity	Greenhouse Gas Emission Intensity
Target by 2030	↓ 5%	↓ 5%	↓ 5%	↓ 5%

During the Reporting Period, the Group continued to monitor its environmental performance against these targets. Changes in environmental performance indicators were influenced by operational adjustments, business expansion and improvements in data collection processes.

The Group will continue to review its progress towards these targets and implement appropriate measures to enhance environmental performance.

### Air Emissions

The Group's air emissions primarily arise from fuel consumption in transportation activities associated with its logistics operations.

During the Reporting Period, air emissions increased compared to 2024, which was mainly attributable to the expansion of logistics operations, particularly in Vietnam, resulting in increased transportation activities.

The Group continues to monitor emissions generated from its operations and has implemented measures to reduce environmental impact, including the use of fuel-efficient vehicles, optimisation of transportation routes and the adoption of environmentally friendly fuel standards where practicable.

Type of Air Emissions	Unit	2025	2024
Nitrogen oxides (NO <sub>x</sub> )	kg	2,693.16	2,090.80
Sulfur oxides (SO <sub>x</sub> )	kg	3.55	2.97
Particulate matter (PM)	kg	198.04	155.18

The Group will continue to review its operational practices and explore opportunities to reduce emissions intensity over time.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Greenhouse Gas Emissions (GHG)

The Group's greenhouse gas emissions mainly arise from fuel consumption of vehicles used in logistics operations (Scope 1) and electricity consumption in offices, warehouses and production facilities (Scope 2), particularly in Vietnam.

To reduce emissions, the Group continues to adopt environmentally responsible practices, including the use of fuel-efficient vehicles, adoption of energy-saving equipment and promotion of energy conservation measures across its operations.

During the Reporting Period, the Group recorded a decrease in total greenhouse gas emissions compared to 2024. This was mainly attributable to changes in operational structure, ongoing enhancements in energy management practices, and refinement of ESG data collection and calculation methodologies across the Group.

The Group will continue to monitor the environmental impact of its activities and implement measures to improve energy efficiency and reduce emissions intensity over time.

Indicator	Unit	2025	2024
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	650.0	4,230.96
Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	2,300	1,735.59
Other indirect GHG emissions (Scope 3 – water)	tCO <sub>2</sub> e	2.00	–
Total GHG emissions	tCO <sub>2</sub> e	2,952	5,966.55
Total GHG emission intensity	tCO <sub>2</sub> e/RM million revenue	24.00	70.19

#### Notes

- GHG emission data is presented in carbon dioxide equivalent (CO<sub>2</sub>e) and is calculated with reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard issued by the World Resources Institute and the World Business Council for Sustainable Development, as well as the Reporting Guidance on Environmental KPIs issued by The Stock Exchange of Hong Kong Limited.
- Grid emission factors used in the calculation are based on publicly available data from relevant authorities in the jurisdictions where the Group operates.
- Revenue used for the calculation of emission intensity is based on the Group's total revenue within the reporting scope for the Reporting Period.
- Scope 3 emissions disclosed represent water consumption-related emissions and are included to enhance the completeness of ESG disclosure.

### Sewage Disposal

Given the nature of the Group's business operations, no significant industrial wastewater is generated.

Wastewater arising from daily operations is discharged into municipal sewage systems and treated by local sewage treatment facilities in accordance with applicable regulations.

Accordingly, the Group's water consumption is generally considered to be equivalent to the volume of wastewater discharged. Further details on water usage are set out in the "Water Management" section of this Report.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Waste Management

The Group is committed to implementing effective waste management practices to minimise the environmental impact of its operations. Waste generated from the Group's activities primarily consists of packaging materials and general office waste.

The Group promotes waste reduction at source, encourages recycling and enhances employees' environmental awareness through internal initiatives and operational practices.

Measures are in place to monitor the generation, handling and disposal of waste to ensure proper management and minimise potential environmental impact. The Group also promotes the principles of reduction, recycling and responsible disposal in its waste management approach.

The Group will continue to strengthen its waste management practices and promote sustainable behaviours among employees to support environmental protection.

### Hazardous Waste

Due to the nature of the Group's business operations, the amount of hazardous waste generated during the Reporting Period was minimal.

The Group has established procedures for the proper handling, storage and disposal of hazardous waste. Qualified waste collectors are engaged, where necessary, to ensure that hazardous waste is managed in accordance with applicable environmental laws and regulations.

The Group will continue to monitor hazardous waste generation and implement appropriate measures to minimise its environmental impact.

### Non-hazardous Waste

The non-hazardous waste generated from the Group's operations primarily consists of packaging materials and general office waste.

The Group is committed to promoting a green workplace culture by encouraging paperless operations, raising employees' environmental awareness and reducing unnecessary waste generation. Environmentally friendly practices adopted include double-sided printing, reducing excess packaging and promoting recycling where practicable.

During the Reporting Period, total non-hazardous waste increased compared to 2024, which was mainly attributable to the expansion of business operations.

The Group will continue to monitor waste generation and enhance its waste management practices to minimise environmental impact.

Types of waste	Unit	2025	2024
Total non-hazardous waste	tonnes	8.87	5.73
Non-hazardous waste intensity	tonnes/RM million revenue	0.07	0.07
Total hazardous waste	tonnes	0.10	0.08
Hazardous waste intensity	tonnes/RM million revenue	0.001	0.001

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Resource Management

The Group is committed to promoting the efficient use of resources and minimising the environmental impact of its operations through continuous monitoring and management practices.

The Group encourages employees to adopt environmentally responsible behaviours in daily operations, including reducing water consumption, avoiding excessive use of air-conditioning systems, switching off idle equipment and conserving electricity, paper and other resources.

Through these initiatives, the Group aims to enhance resource efficiency and support sustainable business practices.

The Group will continue to strengthen its resource management approach and promote environmental awareness among employees to support long-term sustainability.

### Energy Management

During the daily operations of the Group, energy consumption primarily arises from electricity used in offices and facilities, as well as fuel consumption by vehicles used in logistics operations. Electricity remains one of the key contributors to the Group's overall energy consumption and carbon footprint.

The Group has implemented various energy-saving measures, including promoting responsible electricity usage, encouraging employees to switch off idle equipment and optimising vehicle utilisation in logistics operations.

During the Reporting Period, total energy consumption decreased compared to 2024. This was mainly attributable to changes in operational structure, optimisation of energy usage and refinement of data collection and consolidation processes across the Group's operations.

At the same time, indirect energy consumption increased due to higher electricity usage associated with expanded operations, particularly in Vietnam.

The Group will continue to monitor its energy consumption and implement measures to improve energy efficiency and reduce energy intensity over time.

Types of energy consumption	Unit	2025	2024
Direct energy consumption (Petrol, diesel)	MWh	2,290	15,607
Indirect energy consumption (Purchased electricity)	MWh	2,787	1,945
Total energy consumption	MWh	5,077	17,552
Total energy consumption intensity	MWh/RM million revenue	41.2	206.50

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Water Management

The Group recognises the importance of water conservation and has implemented measures to promote the efficient use of water resources across its operations.

Employees are encouraged to adopt water-saving practices in daily operations. These include regular inspection of water supply facilities, timely identification and rectification of leakages, and promoting responsible water usage through internal communication and guidance.

During the Reporting Period, water consumption remained relatively stable. The decrease in water consumption intensity was mainly attributable to an increase in revenue during the year.

Indicator	Unit	2025	2024
Water consumption	m <sup>3</sup>	4,568	4,505
Water consumption intensity	m <sup>3</sup> /RM million revenue	37.10	53.00

During the Reporting Period, due to the nature of the Group's business operations and operating locations, the Group did not encounter any issues in sourcing water suitable for its operations.

### Packaging Materials Management

The Group recognises that the use of packaging materials is an environmental aspect associated with its logistics operations and is committed to promoting the responsible use of packaging materials.

The Group seeks to reduce unnecessary packaging where practicable and encourages environmentally responsible practices in its operations.

During the Reporting Period, packaging materials were not considered a material environmental indicator for the Group and therefore quantitative data is not disclosed. The Group will continue to enhance its data collection processes to support future disclosures.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Environment and Natural Resources

Although the Group's core business has a relatively limited direct impact on the environment and natural resources, the Group remains committed to minimising any potential environmental impact arising from its operations.

The Group complies with applicable environmental laws and regulations and integrates environmental protection principles into its internal management and daily operations. Employees and business partners are encouraged to adopt environmentally responsible practices and support the use of more sustainable solutions.

The Group continues to identify and assess environmental risks associated with its operations, establish appropriate management objectives and review its environmental strategies to enhance overall performance.

During the Reporting Period, the Group did not identify any material adverse impact on the environment and natural resources arising from its business operations.

### Climate Change

Addressing climate change is an important aspect of sustainable development. The Group recognises that climate-related risks and opportunities may have an impact on its operations and has incorporated climate change considerations into its risk management framework to enhance resilience.

#### *Transition Risks*

The transition to a low-carbon economy and increasing environmental regulations may give rise to policy, compliance and reputational risks. Stricter environmental requirements may result in higher compliance costs and necessitate adjustments to the Group's operations.

To address these risks, the Group monitors developments in climate-related regulations and industry trends and maintains communication with management to ensure timely response. The Group also promotes environmental protection measures, including improving energy efficiency and managing greenhouse gas emissions, to support compliance and mitigate potential risks.

#### *Climate-related Opportunities*

The Group recognises that climate change presents opportunities to enhance operational efficiency and adopt more sustainable business practices.

The adoption of cleaner energy sources, optimisation of transportation processes and use of innovative technologies may help reduce energy consumption and greenhouse gas emissions across the Group's operations.

The Group will continue to explore opportunities arising from climate change and integrate sustainability considerations into its business development strategy.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Social

#### Employment

The Group recognises that effective recruitment, training and development of employees are critical to its long-term success.

The Group's human resources policies comply with applicable labour laws and regulations in the jurisdictions where it operates, including the Employment Ordinance, Employees' Compensation Ordinance, Mandatory Provident Fund Schemes Ordinance and Minimum Wage Ordinance in Hong Kong, the Labour Code 2019 in Vietnam, and the Employment Act 1955 in Malaysia.

The Group has established internal policies, including an employee handbook and human resources guidelines, to govern key aspects of employment such as recruitment, compensation, dismissal and equal opportunities.

During the Reporting Period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group.

#### ***Recruitment, Assessment and Training***

The Group adopts a structured approach to employee recruitment, taking into account candidates' industry experience, technical capabilities and interpersonal skills. The Group aims to attract and retain talent through effective recruitment and retention strategies.

Employee performance is assessed regularly through a key performance indicator ("KPI") system, with performance categorised as "Exceeds expectations", "Meets expectations" or "Fails to meet expectations". Performance reviews are conducted periodically and are tailored to individual roles and responsibilities.

The Group provides both internal and external training programmes covering industry knowledge, regulatory requirements and practical operational skills. Induction training is provided to new employees during their probation period, followed by ongoing on-the-job training and development.

The Group also collaborates with educational institutions by offering internship programmes, providing students with practical experience and opportunities for professional development. Outstanding interns may be considered for full-time employment within the Group.

#### ***Equal Opportunities, Diversity and Anti-discrimination***

The Group is committed to fostering a fair, inclusive and diverse workplace. It adopts an equal opportunity approach in recruitment and employment practices and strictly prohibits discrimination on the basis of race, nationality, religion, gender, age, disability, marital status or other protected characteristics.

Employees are entitled to equal opportunities in recruitment, remuneration, training, promotion and termination. The Group has established policies and procedures to prevent workplace discrimination, harassment and bullying.

Employees who experience or witness any form of misconduct, including harassment, are encouraged to report their concerns through established communication channels. The Group will handle such matters seriously and take appropriate actions in a timely manner.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Working Hours and Holidays*

The Group complies with applicable labour laws and regulations relating to working hours, rest periods and employee benefits, and is committed to providing a fair and reasonable working environment.

Employees are entitled to rest days and statutory holidays, and overtime work is compensated in accordance with applicable laws and internal policies.

The Group provides various types of leave, including annual leave, maternity leave, paternity leave, marriage leave, compassionate leave, sick leave and other statutory entitlements, to support employees' well-being and work-life balance.

### *Compensation and Dismissal*

The Group complies with relevant employment laws and regulations in the jurisdictions in which it operates.

Employees who sustain work-related injuries are entitled to compensation in accordance with applicable regulations and the Group's insurance coverage. The Group strictly prohibits unreasonable dismissal. All termination decisions follow established procedures to ensure fair treatment and appropriate compensation, and relevant provisions are set out in individual employment contracts.

### *Employee Profile*

As at 31 December 2025, the Group had a total of 603 employees (2024: 498 employees).

The Group's workforce composition changed during the Reporting Period, with an increased proportion of contract and operational staff. This reflects adjustments in workforce deployment across different operating locations.

The employee structure by gender, age group, geographical location and employee category is as follows:

#### By Gender

Category	2025	2024
Male	225	208
Female	378	290
<b>Total</b>	<b>603</b>	<b>498</b>

#### By Age Group

Category	2025	2024
30 or below	276	180
31-40	239	247
41-60	86	69
61 or above	2	2
<b>Total</b>	<b>603</b>	<b>498</b>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### By Region

Category	2025	2024
Hong Kong	43	34
Malaysia	148	173
Vietnam	407	290
Japan	1	1
USA	4	0
<b>Total</b>	<b>603</b>	<b>498</b>

### By Employee Category

Category	2025	2024
Senior management	9	7
Middle management	34	24
General staff	164	153
Contract or short-term	396	22
<b>Total</b>	<b>603</b>	<b>498</b>

### **Employee Turnover Rate**

During the Reporting Period, the Group's overall employee turnover rate decreased compared to 2024. This was mainly attributable to changes in workforce structure during the Reporting Period.

The Group's workforce composition also shifted towards a higher proportion of contract and operational staff, which may affect the comparability of turnover rates across reporting periods.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The higher turnover rate in Hong Kong was primarily attributable to a relatively small workforce base combined with significant employee movements during the Reporting Period.

Category	2025	2024
<b>Total</b>	<b>22.0%</b>	27.9%
<b>By Gender</b>		
Category	2025	2024
Male	24.9%	35.6%
Female	20.1%	22.4%
<b>By Age Group</b>		
Category	2025	2024
30 or below	29.4%	37.2%
31-40	10.7%	16.2%
41-60	34.8%	43.5%
61 or above	50%	100%
<b>By Region</b>		
Category	2025	2024
Hong Kong	165.4%	82.4%
Malaysia	8.5%	23.1%
Vietnam	10.3%	24.5%
Japan	0%	0%
USA	0%	0%

### Health and Safety

The Group is committed to providing a safe and healthy working environment for its employees and complies with applicable health and safety laws and regulations in the jurisdictions where it operates, including the Occupational Safety and Health Act 1994 in Malaysia, the Occupational Safety and Health Ordinance (Cap. 509) in Hong Kong, and the Law on Occupational Safety and Health in Vietnam.

The Group places strong emphasis on safeguarding the health, safety and welfare of employees. This includes providing appropriate training and supervision, maintaining safe working conditions and equipment, and ensuring proper handling, storage and transportation of goods. Internal safety policies and procedures have been established to enhance employees' awareness of occupational health and safety responsibilities.

The Group's Safety, Health, Environmental and Security ("SHES") policy aims to promote a workplace culture that prioritises safety, security and well-being, with the objective of minimising workplace risks and enhancing operational safety standards.

During the Reporting Period, the Group organised various training programmes and activities to strengthen safety awareness among employees. These included safety and operational training relevant to the logistics industry, as well as programmes aimed at improving employee well-being. External trainers were engaged where appropriate to enhance employees' knowledge of safety practices.

The Group requires employees to report any work-related injuries or incidents in a timely manner. Regular inspections are conducted to ensure that workplaces, including offices, warehouses and operational equipment, comply with applicable safety standards and regulatory requirements. Adequate personal protective equipment, first aid supplies and emergency equipment are maintained to support a safe working environment.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to occupational health and safety that would have a significant impact on the Group.

### Statistics on Work-related Fatalities and Work-related Injuries

The Group places strong emphasis on occupational health and safety and strives to maintain a safe working environment across all operations.

During the Reporting Period, the Group did not record any work-related fatalities or lost working days due to work-related injuries based on Group's records. The relevant statistics are set out below:

Indicator	2025	2024	2023
Work-related fatalities (cases)	0	0	0
Rate (%)	0	0	0
Working days lost due to work injury (days)	0	0	0

The Group has maintained a zero-fatality record for the past three years. During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to occupational health and safety that would have a significant impact on the Group.

### Development and Training

The Group recognises that its employees are key to driving business performance and growth and is committed to supporting their continuous development.

The Group provides regular training and development programmes to enhance employees' practical knowledge, technical skills and overall competency, as well as to strengthen their understanding of industry trends and regulatory requirements.

During the Reporting Period, the Group organised and participated in various technical and soft skills training programmes. These covered areas such as quality management systems, occupational safety, logistics operations, regulatory compliance, risk management and professional development. Specific training topics included ISO 9001:2015 awareness and internal auditing, forklift safety and maintenance, ethical driving practices, dangerous goods handling regulations, supply chain security standards, customs compliance and workplace safety.

Training was provided to employees across different levels, including management and operational staff. Induction training was also conducted for new joiners, including contract and short-term employees, to ensure they are equipped with the necessary knowledge and skills for their roles.

The Group also participated in seminars and workshops related to the logistics and freight forwarding industry to keep employees up to date with industry developments.

The Group will continue to enhance its training framework and strengthen its training data collection and monitoring processes across all operating locations to support long-term workforce development.

During the Reporting Period, a total of 81.3% (2024: 80.32%) of the Group's employees received training, with the average number of training hours per employee being 1.92 hours (2024: 3.85 hours). In addition, training hours in certain operating locations mainly comprised short-duration operational and induction training sessions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

The training situation by gender and employee category is as follows:

### By Gender

Category	2025	2024
Male	72.9%	95.2%
Female	86.2%	69.7%
<b>Total</b>	<b>81.3%</b>	<b>80.32%</b>

### By Employee Category

Category	2025	2024
Senior management	22.2%	42.9%
Middle management	70.6%	100.0%
General staff	37.8%	58.8%
Contract or short-term	101.5% <sup>1</sup>	1,286.3% <sup>2</sup>

### Total Training Hours

Category	2025	2024
Total training hours	1,157	1,916

### Average Training Hours per Employee

Category	2025 (hours)	2024 (hours)
Male	2.30	4.73
Female	1.69	3.21
<b>Average</b>	<b>1.92</b>	<b>3.85</b>

### By Employee Category

Category	2025 (hours)	2024 (hours)
Senior management	6.22	6.86
Middle management	14.04	27.90
General staff	2.58	6.90
Contract or short-term	0.51	6.50

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Notes

1. Due to the high turnover of contract and short-term employees, training statistics for this category may exceed 100%, as employees joining during the Reporting Period also received induction training.
2. In the prior year, the training data for contract and short-term employees included a significant number of employees who joined and left during the year, resulting in a higher percentage.

### ***Promote Diversity***

The Group is committed to fostering an inclusive and diverse workplace and upholding the principles of equal opportunity and non-discrimination.

The Group complies with relevant laws and regulations in the jurisdictions in which it operates and promotes fairness in recruitment, remuneration, training and career development. Discrimination on the basis of gender, race, religion or other personal characteristics is strictly prohibited.

The Group is committed to gender equality and strives to provide a supportive working environment that safeguards the health, safety and well-being of all employees.

The Group continues to encourage diversity within its workforce and supports the professional development of employees at all levels. As at 31 December 2025, female representation on the Board accounted for approximately 33% of the total Board composition, reflecting the Group's commitment to board diversity.

The Group will continue to promote diversity and inclusion across all levels of the organisation and support equal opportunities for career advancement.

### ***A Learning Culture***

The Group recognises that a well-trained and adaptable workforce is essential to sustaining long-term business growth in a dynamic environment.

The Group is committed to fostering a culture of continuous learning and professional development to enhance employees' capabilities and performance. In addition to formal training programmes, employees are encouraged to pursue personal development to support career progression and adaptability to industry developments.

The Group promotes knowledge sharing, innovation and teamwork to strengthen organisational effectiveness. Team-building activities are also organised to enhance communication, collaboration and employee engagement.

The Group will continue to cultivate a learning-oriented culture and enhance employee engagement to support sustainable business development.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Employee Well-being*

The Group is committed to promoting employee well-being and fostering a positive and supportive working environment.

The Group strives to enhance employee engagement, morale and work-life balance through various initiatives. Open communication is encouraged, and employees' physical and mental well-being is supported through a safe and healthy workplace environment.

Efforts are made to strengthen team cohesion and promote a sense of belonging among employees across different operating locations.

The Group will continue to enhance its employee engagement initiatives and strengthen its approach to supporting employee well-being as part of its commitment to sustainable workforce development.

### *Labour Standards*

The Group is committed to upholding high labour standards and strictly prohibits child labour and forced labour in all its operations.

The Group complies with relevant labour laws and regulations in the jurisdictions in which it operates, including those relating to the employment of children and young persons.

The Group has established human resources policies and procedures to ensure that all employees are recruited in accordance with applicable laws and regulations. During the recruitment process, candidates are required to provide valid identification documents, and background checks are conducted to verify their identity, age, qualifications and eligibility for employment.

The Group does not tolerate any form of forced labour. Employees are employed on a voluntary basis, and all employment terms and conditions are clearly set out in employment contracts. Employees are free to terminate their employment in accordance with applicable laws and contractual terms.

Employees are encouraged to report any suspected cases of child labour or forced labour through established communication channels. The Group will investigate such cases and take appropriate actions in accordance with applicable laws and regulations.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Supply Chain Management

The Group recognises the importance of maintaining a responsible and sustainable supply chain.

The Group has established supply chain management practices covering key service providers and suppliers, including logistics service providers, warehouse operators, transportation providers, subcontractors, and suppliers of equipment and fuel.

The Group engages with suppliers in a fair, transparent and ethical manner. Ongoing communication is maintained to enhance mutual understanding of operational requirements and expectations.

Internal procurement procedures are in place to guide the selection, evaluation and monitoring of suppliers. Key considerations include service quality, operational capability, compliance with applicable laws and regulations, and business integrity.

During the Reporting Period, the Group was not aware of any material non-compliance relating to environmental or social standards within its supply chain that would have a significant impact on the Group.

### Green Procurement

The Group is committed to promoting sustainable procurement practices and supporting responsible use of resources.

Where practicable, priority is given to local suppliers and environmentally friendly products and services. This approach aims to reduce transportation-related environmental impacts, support local economic development and enhance supply chain efficiency.

The Group will continue to explore opportunities to strengthen sustainability across its supply chain and procurement processes.

### Product Responsibility

The Group is committed to delivering reliable and secure logistics and freight forwarding services, with a strong emphasis on safety and service quality.

The Group aims to minimise risks associated with transportation, including loss, damage and delay of cargo, and to provide efficient and dependable solutions to customers.

To enhance service quality and operational reliability, the Group has implemented internal policies and procedures covering operational controls, risk management and service delivery standards. Security measures, such as surveillance systems, tracking technologies and operational monitoring, are adopted where appropriate to safeguard cargo throughout the logistics process.

The Group places importance on continuous improvement and service excellence. Employees are provided with relevant training to strengthen their operational capabilities and awareness of quality standards. A customer-focused approach is promoted to ensure that services meet customer expectations.

The Group has established procedures for handling customer feedback and complaints. Feedback is reviewed and addressed in a timely manner, and appropriate follow-up actions are taken to improve service quality.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided that would have a significant impact on the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Intellectual Property Rights

The Group recognises the importance of protecting intellectual property rights and complies with relevant laws and regulations in the jurisdictions in which it operates.

Given the nature of its business, the Group takes appropriate measures to safeguard its intellectual property, including trademarks, domain names and proprietary business information.

Employees are required to adhere to internal policies relating to confidentiality and the protection of intellectual property. Sensitive business information must be handled responsibly and must not be disclosed without proper authorisation.

The Group also respects the intellectual property rights of third parties and seeks to ensure that its operations do not infringe upon such rights.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to intellectual property rights that would have a significant impact on the Group.

### Data Privacy and Protection

The Group places strong emphasis on the protection of personal data and complies with relevant data protection laws and regulations in the jurisdictions in which it operates.

The Group has implemented internal policies and procedures to ensure that personal data is handled in a lawful and secure manner. Customer and business information is treated as confidential, and access is restricted to authorised personnel on a need-to-know basis.

Employees are required to adhere to confidentiality obligations and are expected to handle sensitive information responsibly. Appropriate measures are in place to safeguard data against unauthorised access, loss or misuse.

The Group continues to enhance its data protection practices and raise employee awareness of data privacy through internal communication and guidance.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to data privacy and protection that would have a significant impact on the Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Anti-corruption

The Group is committed to maintaining high standards of business ethics and integrity and adopts a zero-tolerance approach towards bribery, corruption, fraud and other unethical practices.

The Group complies with relevant anti-corruption laws and regulations in the jurisdictions in which it operates and has established internal policies and procedures to prevent corruption and misconduct. Employees are required to act with honesty and integrity and to comply with applicable laws and internal guidelines.

The Group has established a whistle-blowing mechanism that enables employees and relevant stakeholders to report suspected misconduct, fraud or corruption through designated communication channels. Reported cases are handled by a designated function to ensure independence and objectivity. All reports are treated confidentially, and the identity of whistle-blowers is protected. The Group strictly prohibits any form of retaliation against individuals who report concerns in good faith.

Where appropriate, cases involving potential legal violations will be escalated to the relevant authorities for further action.

To promote ethical conduct, the Group communicates its anti-corruption expectations to employees and provides guidance on compliance with relevant policies and regulations.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering that would have a significant impact on the Group.

### Community Investment

The Group recognises the importance of contributing to the communities in which it operates and is committed to supporting sustainable community development.

The Group seeks to create positive social value through its business operations and community engagement initiatives. Employees are encouraged to participate in community-related activities and to promote awareness of social responsibility across the organisation.

Where appropriate, the Group supports initiatives that contribute to community well-being, including those related to environmental protection, education and social development.

During the Reporting Period, the Group continued to explore opportunities to enhance its community engagement and contribution to society.

The Group will continue to strengthen its community investment approach and identify meaningful ways to support the communities in which it operates.

# REPORT OF THE DIRECTORS

The Board hereby present its report together with the audited consolidated financial statements of the Group for the Financial Year.

## Principal Business Activities

The Company is an investment holding company and the Group is principally engaged in providing international freight forwarding and logistics services, with a primary focus on air/sea freight forwarding and related services, trucking and warehousing to customers worldwide, manufacturing and sale of plastic products in Vietnam and trading of used mobile phones. The Group is also engaged in the operation of social entertainment platform known as “VSING” that utilizes modern technologies to enhance the experiences of audiences and karaoke singers/performers in their leisure and entertainment activities. The Company’s principal subsidiaries are set forth in note 37 to the consolidated financial statements.

## Business Review and Analysis of Key Financial Performance Indicators

The business review and analysis of key financial performance indicator of the Group for the Financial Year are set out in the “Chairman’s Statement and Management Discussion and Analysis” of this annual report.

## Financial Results

The results of the Group for the Financial Year and the financial position of the Company and the Group as at 31 December 2025 are set forth in the consolidated financial statements on pages 72 to 143 of this annual report.

## Final Dividend

The Board does not recommend the payment of a final dividend for the Financial Year (2024: nil).

## Financial Summary

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on page 144 of this annual report. This summary does not form part of the consolidated financial statements for the Financial Year.

## Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the Financial Year are set out in note 14 to the consolidated financial statements.

The Group did not hold any major property for development and/or sale or for investment purpose as at 31 December 2025.

## REPORT OF THE DIRECTORS (CONTINUED)

### Share Capital

Details of the Company's share capital are set out in note 28 to the consolidated financial statements.

### Pre-emptive Rights

There are no provisions for pre-emptive rights under the Articles or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

### Reserves

Details of movements in the reserves of the Company and of the Group during the Financial Year are set out in note 29 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

### Distributable Reserves

As at 31 December 2025, there is no Company's reserves (comprising share premium, other reserve and accumulated losses) available for distribution to the Shareholders. Details of the Company's distributable reserves as at 31 December 2025 are set out in note 38 to the consolidated financial statements.

### Share Option Scheme

The Company has adopted the share option scheme ("**Share Option Scheme**"), which was approved by written resolutions passed by the shareholders of the Company (the "**Shareholders**") on 17 June 2016. Under the terms of Share Option Scheme, the Board may in its absolute discretion specify such conditions as it thinks fit when granting an option to an eligible person (including, without limitation, as to any minimum period an option must have been held or the minimum period of service or relationship with any member of the Group to be achieved before an option can be exercised (or any part thereof), to the extent of the option which can be exercised at any material time, or any performance criteria which must be satisfied by the eligible person, the Company, and its subsidiaries, before an option may be exercised).

The purpose of the Share Option Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

An offer shall remain open for acceptance by the eligible person concerned for such period as determined by the Board, being a date not later than ten business days after the offer date by which the eligible person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with its provision. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

The Share Option Scheme is valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme. The total number of Shares available for issue under the Share Option Scheme was 8,000,000, representing approximately 0.74% of issued share capital of the Company as at the date of this report. As at 1 January 2025 and 31 December 2025, the total number of Share Options available for grant under the Share Option Scheme was 8,000,000. Since the Share Option Scheme came into effect, no share options were granted, exercised or cancelled by the Company.

## REPORT OF THE DIRECTORS (CONTINUED)

### Equity-linked Agreements

Other than the Share Option Scheme as disclosed above, there is no equity-linked agreements that (i) will or may result in the Company issuing Shares; or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Financial Year or subsisted at the end of the Financial Year.

### Purchase, Redemption or Sale of the Listed Securities of the Company

During the Financial Year, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

### Major Customers and Suppliers

During the Financial Year, the five largest suppliers of the Group accounted for about 31.0% of the Group's cost of sales and the largest supplier accounted for about 9.2% of the cost of sales.

During the Financial Year, the five largest customers of the Group accounted for about 47.8% of the Group's total revenue and the largest customer accounted for about 29.2% of the total revenue.

Based on the information publicly available to the Company and to the best knowledge of the Directors, none of the Directors, their respective close associates (as defined in the GEM Listing Rules) or any shareholders (which to the best knowledge of the Directors, own more than 5% of the Shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

### Related Parties Transactions

Related parties transactions of the Group during the Financial Year are disclosed in note 36 to the consolidated financial statements. The Directors are not aware of any related parties transactions which constituted a connected transaction or continuing connected transaction under the GEM Listing Rules.

### Environmental Policies and Performance

The Group understands the importance of environmental sustainability and protection. We are committed to reducing the impact of our environmental footprint while continuing to deliver optimal logistics services for our customers. In view of our operation, the consumption of fuels and energy while provision of air/sea freight forwarding, trucking and warehousing services is a significant contributor to emission and greenhouse gas and other environmental concerns. Our focus is on improving fuel efficiency for the fleets of trucks, and the energy usage. The Group has adopted policies on pollution prevention, preservation of natural resources and adherence to environmental laws and regulations. The Group also puts green ideas into practice in our daily operations and office renovations. Complementing our logistics initiatives, the Group's interactive entertainment technology platform (VSING) extends our environmental commitment to digital and venue-based operations. We focus on optimising energy consumption of our AI-driven software infrastructure, cloud servers, and physical venue hardware (including LED walls, stage lighting and sound systems), while implementing responsible lifecycle management for electronic equipment. Through smart energy controls and resource-efficient digital practices, we aim to support the Group's overall environmental intensity reduction targets.

## REPORT OF THE DIRECTORS (CONTINUED)

### Permitted Indemnity Provisions

The Articles provides that the Directors, Secretary and other officers and every Auditor for the time being of the Company shall be entitled to be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty. The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

### Compliance with Laws and Regulations

The Group and its activities are subject to requirements under various laws in Malaysia including Customs Act, Excise Act, Road Transport Act and Occupational Safety and Health Act, Cayman Islands, Vietnam and Hong Kong and all applicable regulations, guidelines, policies and licence terms issued or promulgated under or in connection with these statutes. In addition, the GEM Listing Rules also apply to the Company. The Company seeks to ensure compliance with these requirements through various measures such as internal controls and approval procedures, training and oversight of various business units with the designated resources at different levels of the Group.

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing responsibility to monitor adherence and compliance with all significant legal and regulatory requirements. During the Financial Year, the Group is not aware of any material non-compliance with the relevant laws and regulations that have significant impact on the business of the Group.

### Key Relationship with Employees, Customers and Suppliers

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including employees, customers, suppliers and subcontractors.

The principal policies concerning remuneration of employees are determined based on their duties, responsibilities, experience and skills. The Group regularly reviews and determines the remuneration and compensation packages of the employees. The Group regularly provides discretionary bonuses to its senior management and key employees as incentive. The Group is also committed to providing a safe and healthy environment for its employees. The management policies, working environment, development opportunities and employee benefits have contributed to employees' satisfaction levels and retention level. As part of its human resources policies, the Group organises building and training programs, bonding activities, such as bowling activities and annual staffs dinners, to allow employees to build up teamwork and to strengthen their bonding. During the Financial Year, the Group did not experience any strike or labour dispute with its staffs which had caused significant disruption to the Group's business operations.

The Group maintains good relationship with its customers. The Group has dedicated sales department which carries out sales calls to potential customers and customer service department which handles customer general enquiries, service bookings, complaints and feedback, and provides daily updates to customers on their shipments. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken and feedback from the customers will be followed till settlement of the complaint. Thereafter, the cause of such complaint will be studied, analysed and evaluated and recommendations will be in place for improvement.

## REPORT OF THE DIRECTORS (CONTINUED)

The Group is committed to upholding the highest ethical and professional standards when dealing with suppliers and subcontractors. The Group has in place a policy in order to monitor their performance. The Group's management team conducts supplier and subcontractor performance review regularly and communicates with suppliers and subcontractors that have unsatisfactory ratings for rectification or improvements. During the Financial Year, the Group did not receive any material complaints from its suppliers and subcontractors due to late payments nor did the Group suffered material shortage of cargo space or other services from them.

In view of the above and as at the date of this report, there is no circumstance of any event which will have a significant impact on the Group's business and on which the Group's success depends.

### Directors

The Directors during the Financial Year and up to the date of this report were:

#### Executive Directors

Mr. Ngu Sing King, *Chairman*

Mr. Lai Kwok Hei

Mr. Chan Kin Ho, Philip, *Chief Executive Officer*

#### Independent Non-executive Directors

Ms. Wong Hoi Yan Audrey

Ms. Cheung Choi Hung

Mr. Ma Kin Hung (passed away on 6 April 2026)

Article 84 of the Articles provides that (1) one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years; and (2) a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself/herself for re-election.

Mr. Lai Kwok Hei and Ms. Cheung Choi Hung will retire from office pursuant to Article 84 of the Articles and, being eligible, offer themselves for re-election at the forthcoming AGM.

Article 83(3) of the Articles provides that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Mr. Ngu Sing King will retire from office pursuant to Article 83(3) of the Articles and, being eligible, offer himself for re-election at the forthcoming AGM.

## REPORT OF THE DIRECTORS (CONTINUED)

### Biographies of Directors

The biographical details of the Directors are set out under the section headed “Directors and Senior Management” of this annual report.

### Directors’ Service Contracts

Mr. Ngu Sing King, Mr. Lai Kwok Hei and Mr. Chan Kin Ho, Philip have entered into a service agreement with the Company for an initial fixed term of one year commencing from the date of agreement. These agreements shall continue thereafter unless and until terminated by either party giving to the other not less than three months’ notice in writing.

Ms. Cheung Choi Hung has a fixed term of appointment for a period of one year commencing on 16 June 2023; Ms. Wong Hoi Yan Audrey has a fixed term of appointment for a period of one year commencing on 21 May 2023; and these agreements shall continue for a term of one year and until terminated by either party giving to the other not less than three months’ notice in writing, subject to retirement by rotation and re-election at AGM in accordance with the Articles.

None of the Directors proposed for re-election at the forthcoming AGM has a service agreement/letter of appointment with the Company, which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### Directors’ Remunerations

Details of the remuneration of Directors are set out in note 11 to the consolidated financial statements.

### Directors’ Emolument Policy

The Remuneration Committee was established for reviewing and determining the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group. The Company has adopted a share option scheme as an incentive to the Directors and eligible employees, details of which are set out in the section headed “Share Option Scheme”.

## REPORT OF THE DIRECTORS (CONTINUED)

### Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Capacity	Number of shares of the Company	Number of share options	Total Interests <sup>(1)</sup>	Approximate % of the issued share capital of the Company as at 31 December 2025 <sup>(3)</sup>
Mr. Ngu Sing King ("Mr. Ngu")	Interest of controlled corporation <sup>(2)</sup>	295,127,610(L)	–	295,127,610 (L)	27.37%

*Notes:*

- (1) The letter "L" denotes the person's long position in the relevant Shares.
- (2) V Sing Holdings Limited is a company owned by Futura Entertainment Group Limited and V Sing Founders Sdn. Bhd. as to 50% and 50%, respectively and is ultimately beneficially owned by Mr. Ngu and Mr. Teoh Zing Kea as to approximately 41.1% and 25.25%, respectively. By virtue of the SFO, Mr. Ngu is deemed to be interested in the 295,127,610 Shares held by V Sing Holdings Limited.
- (3) The percentage of the issued share capital of the Company is calculated with reference to the Company's number of shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

## REPORT OF THE DIRECTORS (CONTINUED)

### Substantial Shareholders' Interests and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 31 December 2025, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity/Nature of interest	Number of Shares held <sup>(1)</sup>	Approximate % of the issued share capital of the Company as at 31 December 2025 <sup>(4)</sup>
V Sing Holdings Limited (" <b>V Sing Holdings</b> ") <sup>(2)</sup>	Beneficial owner	295,127,610 (L)	27.37%
Futura Entertainment Group Limited (" <b>Futura</b> ") <sup>(2)</sup>	Interest in controlled corporation	295,127,610 (L)	27.37%
V Sing Founders Sdn. Bhd. (" <b>V Sing Founders</b> ") <sup>(2)</sup>	Interest in controlled corporation	295,127,610 (L)	27.37%
Mr. TEOH Zing Kea (" <b>Mr. Teoh</b> ") <sup>(2)</sup>	Interest in controlled corporation	295,127,610 (L)	27.37%
Win All Management (" <b>Win All</b> ") <sup>(3)</sup>	Beneficial owner	188,360,000 (L)	17.47%
Mr. Ng Hang Fai Calvin (" <b>Mr. Ng</b> ") <sup>(3)</sup>	Interest in controlled corporation	188,360,000 (L)	17.47%

(1) The letter "L" denotes the person's long position in the relevant Shares.

(2) V Sing Holdings is a company owned by Futura and V Sing Founders as to 50% and 50%, respectively and is ultimately beneficially owned by Mr. Ngu and Mr. Teoh as to approximately 41.1% and 25.25%, respectively. By virtue of the SFO, Futura, V Sing Founders and Mr. Teoh are deemed to be interested in the 295,127,610 Shares held by V Sing Holdings.

(3) Mr. Ng has 100% of direct interest in Win All. Therefore, Mr. Ng is deemed to be interested in 188,360,000 Shares held by Win All.

(4) The percentage of the issued share capital of the Company is calculated with reference to the Company's number of shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### Directors' Rights to Acquire Shares or Debentures

Save as the share option scheme disclosed above, at no time during the Financial Year was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## REPORT OF THE DIRECTORS (CONTINUED)

### Competing Interests

As confirmed by the Directors, Controlling Shareholders and their respective close associates, none of them has any interests in any business, apart from the business operated by members of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group during the Financial Year.

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, there is a sufficient public float of more than 25% the issued Shares as required under the GEM Listing Rules.

### Directors' Interest in Significant Contracts

Save as disclosed in the section headed "Related Party Transactions" in note 36 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the Group's business in which the Company or any its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Financial Year.

### Significant Events After the Reporting Period

#### Lapse of Placing of New Shares Under General Mandate

On 1 December 2025, the Company and GMCL (the "Placing Agent") entered into a placing agreement (the "Placing Agreement") pursuant to which the Company appointed the Placing Agent to place, on a best-effort basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 150,000,000 Placing Shares to not less than six independent Placees at a price of HK\$0.4 per Placing Share.

On 19 December 2025, the Company and the Placing Agent entered into a supplemental agreement (the "Supplemental Agreement") to extend the Long Stop Date from 22 December 2025 to 12 January 2026.

On 12 January 2026, the Board announced that as the condition of the Placing Agreement (as supplemented by the Supplemental Agreement) had not been fulfilled on or before the Long Stop Date (i.e. 12 January 2026), the Placing Agreement (as supplemented by the Supplemental Agreement) lapsed on 12 January 2026.

For details, please refer to the announcements of the Company dated 1 December 2025, 15 December 2025, 19 December 2025, 22 December 2025 and 12 January 2026 (collectively, the "Announcements"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

#### Changes in directorship and change of the composition of the Board Committees

1. Mr. Ma Kin Hung, an independent non-executive Director, passed away on 6 April 2026.
2. Mr. Lai Kwok Hei was appointed as a member of Remuneration Committee with effect from 13 April 2026.
3. Ms. Wong Hoi Yan Audrey was appointed as the chairperson and a member of the Nomination Committee with effect from 13 April 2026.

Save as disclosed above, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2025 and up to the date of this report.

## REPORT OF THE DIRECTORS (CONTINUED)

### Independent Auditor

The consolidated financial statements for the Financial Year were audited by Elite, the independent auditor, who will retire and being eligible, offer themselves for re-appointment at the forthcoming AGM. There have been no change of independent auditor in any of the preceding three years.

On behalf of the Board

**VSING Limited**

**Ngu Sing King**

Hong Kong, 13 April 2026

## INDEPENDENT AUDITOR'S REPORT



### TO THE MEMBERS OF VSING LIMITED (FORMERLY KNOWN AS WORLDGATE GLOBAL LOGISTICS LTD)

*(incorporated in Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of VSING Limited (formerly known as Worldgate Global Logistics Ltd) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 72 to 143, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgements, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

#### How our audit addressed the key audit matter

##### Impairment assessment of goodwill

Refer to notes 4 and 17 to the consolidated financial statements and the accounting policies set out on note 3.4

Our audit procedures in relation to the assessment of goodwill impairment included, among others:

During the year ended 31 December 2025, the Group recognised goodwill arising from the acquisition of the equity interests of V Sing Global Limited and its subsidiaries (together as "VSG Global Group") amounted to approximately RM80,240,000. Under Hong Kong Accounting Standard 36 Impairment of Assets, management is required to perform an annual impairment test on goodwill by comparing the carrying amount of the relevant cash-generating unit ("CGU") with its recoverable amount.

- Understanding and evaluating the design and implementation of management's key controls over the goodwill impairment testing process, including the preparation and review of financial projections and valuation models.

The recoverable amount was determined based on a value-in-use ("VIU") calculated using a discounted cash flow ("DCF") model prepared by an independent valuer. The preparation of discounted cash flow model involves significant management judgment and estimation uncertainty, particularly in relation to:

- Assessing the competence, capabilities, and objectivity of the independent valuer engaged by management, and evaluating whether the valuation methodology (Income Approach using DCF) was appropriate in the circumstances.

- Future revenue growth and operating margin forecasts for the projection period;
- The pre-tax weighted average cost of capital ("WACC");
- The terminal growth rate; and
- The allocation of corporate assets and contributory asset charges.

- Reviewing the mathematical accuracy of the DCF model and verified the consistency of inputs with the underlying financial data;

- Evaluating the reasonableness of the assumptions by comparing them to historical performance, management's business plans, and industry benchmarks for AI-driven entertainment platforms;

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment of goodwill</b> (Continued)</p> <p>Given the significant amount of the goodwill balance relative to the Group's total assets, and the level of subjectivity and involvement of significant management judgment in assessing the VIU of the related CGU, we determined that the assessment of goodwill impairment represents a key audit matter.</p> <p>The carrying amount of goodwill arising from acquisition of VSG Global Group was approximately RM80,240,000 with accumulated impairment loss of approximately RM58,700,000 as at 31 December 2025.</p>	<ul style="list-style-type: none"> <li>• Assessing the appropriateness of the pre-tax WACC and terminal growth rate by benchmarking against comparable publicly listed companies, country risk premiums, and long-term macroeconomic growth forecasts;</li> <li>• Reviewing the sensitivity analysis provided by the valuer to understand how reasonable changes in key assumptions could impact the VIU conclusion and whether any potential impairment indicators were appropriately considered.</li> <li>• Testing the accuracy of the underlying data used in the valuation, including net working capital projections, capital expenditure assumptions, and contributory asset charges for working capital, fixed assets, and assembled workforce.</li> <li>• Evaluating the adequacy and completeness of the disclosures in the financial statements regarding the goodwill impairment assessment, key assumptions, and sensitivity of the recoverable amount to changes in those assumptions.</li> </ul> <p>Based on the audit procedures performed, we found that the assumptions and methodologies used by management and the independent valuer were supportable and consistent with the requirements of HKAS 36. The related disclosures in the financial statements adequately reflected the key judgments and estimation uncertainties involved.</p>

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment assessment on trade receivables</b></p>	
<p>Refer to notes 4, 20 and 33(b) to the consolidated financial statements and the accounting policies set out on note 3.9.</p>	<p>Our procedures in relation to management's impairment assessment on trade receivables included:</p>
<p>We identified the impairment assessment under expected credit losses ("ECL") of HKFRS 9 for trade receivable as a key audit matter due to its significance to the consolidated financial statements and the significant management estimates and judgement required in the measurement.</p> <ul style="list-style-type: none"> <li>• Determination of the criteria for significant increase in credit risk ("SICR");</li> <li>• Selection of models and assumptions used in the ECL models, including Probability of default ("PD") and Loss given default ("LGD"); and</li> <li>• Establishing the relative probability weightings of forward-looking scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding the established policies and procedures on impairment assessment of the Group in relation to the application of ECL model under HKFRS 9;</li> <li>• Assessing the reasonableness and appropriateness of the management's judgement on staging criteria for determining if a SICR has occurred or the accounts receivable is credit-impaired as required by HKFRS 9;</li> <li>• Evaluating the reasonableness and appropriateness of the model and assumption; and</li> <li>• Examining significant data inputs into the ECL model, including PD and LGD after taking into consideration of forward-looking information.</li> </ul>
<p>The total gross amount of accounts receivable was approximately RM31,656,000 with accumulated impairment provision of approximately RM8,724,000 as at 31 December 2025.</p>	<p>Based upon the above, we found that the estimation and judgements made by management in respect of impairment assessment on trade receivables were supportable by the available evidence.</p>

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgements and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement director on the audit resulting in the independent auditor's report is Mr. Siu Jimmy with Practising Certificate number: P05898.

**Elite Partners CPA Limited**

*Certified Public Accountants*

Unit 1503, 15/F., Jubilee Centre

18 Fenwick Street

Wan Chai, Hong Kong

13 April 2026

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

For the year ended 31 December 2025

	<i>Notes</i>	2025 RM'000	2024 RM'000
Revenue	5	123,228	85,473
Cost of sales		(106,506)	(77,785)
Gross profit		16,722	7,688
Other income and other net gain and loss	7	(58,084)	4,001
Fair value changes on financial assets at fair value through profit or loss		(5,925)	(1,503)
Net (provision)/reversal of impairment losses on trade and other receivables		(2,858)	(83)
Share of results of an associate		–	(520)
Selling and distribution costs		(3,097)	(3,736)
Administrative expenses		(20,271)	(12,800)
Finance costs	8	(684)	(494)
Loss before taxation		(74,197)	(7,447)
Income tax credit/(expense)	9	112	(29)
Loss for the year	10	(74,085)	(7,476)
Other comprehensive (expense)/income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation from functional currency to presentation currency		(4,516)	(5,191)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Reclassification adjustment for disposal of associate		–	439
Other comprehensive expense for the year, net of income tax		(4,516)	(4,752)
Total comprehensive expense for the year		(78,601)	(12,228)
Loss for the year attributable to:			
– Owners of the Company		(74,465)	(6,180)
– Non-controlling interests		380	(1,296)
		(74,085)	(7,476)
Total comprehensive (expense)/income for the year attributable to:			
– Owners of the Company		(79,042)	(11,170)
– Non-controlling interests		441	(1,058)
		(78,601)	(12,228)
Loss per share		RM	RM
– Basic and diluted	13	(8.47 sen)	(0.98 sen)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RM'000	2024 RM'000
<b>Non-current assets</b>			
Property, plant and equipment	14	3,154	2,047
Right-of-use assets	15	5,174	341
Intangible assets	16	9,754	–
Goodwill	17	21,540	–
Financial assets at fair value through profit or loss	21	3,313	9,562
		42,935	11,950
<b>Current assets</b>			
Inventories	19	6,286	4,587
Trade and other receivables	20	39,179	22,701
Financial assets at fair value through profit or loss	21	132	433
Tax recoverable		92	225
Cash and bank balances	22	5,996	7,433
		51,685	35,379
<b>Current liabilities</b>			
Trade and other payables	23	16,779	14,858
Contract liabilities	24	3,506	1,996
Bank borrowings and overdrafts	26	5,258	2,902
Tax payables		1,150	75
Lease liabilities	27	2,948	1,188
		29,641	21,019
<b>Net current assets</b>		22,044	14,360
<b>Total assets less current liabilities</b>		64,979	26,310
<b>Non-current liabilities</b>			
Deferred tax liabilities	25	1,523	–
Bank borrowings	26	209	1,646
Lease liabilities	27	3,186	423
		4,918	2,069
<b>Net assets</b>		60,061	24,241

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

At 31 December 2025

	<i>Notes</i>	2025 RM'000	2024 RM'000
<b>Capital and reserves</b>			
Share capital	<i>28</i>	56,878	33,712
Reserves	<i>29</i>	3,587	(8,626)
Equity attributable to the owners of the Company		60,465	25,086
Non-controlling interests		(404)	(845)
<b>Total equity</b>		<b>60,061</b>	<b>24,241</b>

The consolidated financial statements on pages 72 to 143 were approved and authorised for issue by the Board of Directors on 13 April 2026.

**Ngu Sing King**  
*Director*

**Lai Kwok Hei**  
*Director*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Exchange reserve	Accumulated losses			
	(note 28)	(note 29(i))	(note 29(ii))	(note 29(iii))				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1 January 2024</b>	33,712	37,382	16,972	3,623	(55,433)	36,256	213	36,469
Loss for the year	-	-	-	-	(6,180)	(6,180)	(1,296)	(7,476)
Other comprehensive expense:								
Exchange difference arising on translation from functional currency to presentation currency	-	-	-	(5,429)	-	(5,429)	238	(5,191)
Reclassification adjustment on disposal of associate	-	-	-	439	-	439	-	439
Total comprehensive expense for the year	-	-	-	(4,990)	(6,180)	(11,170)	(1,058)	(12,228)
<b>As at 31 December 2024 and 1 January 2025</b>	33,712	37,382	16,972	(1,367)	(61,613)	25,086	(845)	24,241
Loss for the year	-	-	-	-	(74,465)	(74,465)	380	(74,085)
Other comprehensive expense:								
Exchange difference arising on translation from functional currency to presentation currency	-	-	-	(4,577)	-	(4,577)	61	(4,516)
Total comprehensive (expense)/income for the year	-	-	-	(4,577)	(74,465)	(79,042)	441	(78,601)
Placing of shares	6,601	-	-	-	-	6,601	-	6,601
Issue of shares	16,565	86,139	-	5,116	-	107,820	-	107,820
<b>As at 31 December 2025</b>	<b>56,878</b>	<b>123,521</b>	<b>16,972</b>	<b>(828)</b>	<b>(136,078)</b>	<b>60,465</b>	<b>(404)</b>	<b>60,061</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(74,197)	(7,447)
Adjustments for:		
Depreciation of property, plant and equipment	1,301	94
Depreciation of right-of-use assets	1,572	211
Amortisation of intangible assets	903	–
Gain on disposal of property, plant and equipment and right-of-use assets	(71)	(339)
Fair value changes on financial assets at fair value through profit or loss	5,925	1,503
Net provision of impairment losses on trade and other receivables	2,858	83
Impairment losses on property, plant and equipment	–	529
Impairment losses on right-of-use assets	155	32
Impairment losses on goodwill	58,700	–
Gain on deemed disposal of interest in an associate	–	(3,086)
Share of results from an associate	–	520
Interest income	(118)	(538)
Finance costs	684	494
<b>Operating cash flows before movements in working capital</b>	(2,288)	(7,944)
Increase in trade and other receivables	(6,186)	(3,602)
(Decrease)/increase in trade and other payables	(33)	997
Increase in inventories	(2,366)	–
Decrease in contract liabilities	708	2,033
<b>Cash used in operations</b>	(10,165)	(8,516)
Interest paid	(137)	(55)
Income taxes refund/(paid)	69	(102)
<b>Net cash used in operating activities</b>	(10,233)	(8,673)
<b>Investing activities</b>		
Acquisition of subsidiaries	4,024	–
Purchases of property, plant and equipment	(3,177)	(820)
Interest received	118	538
Proceeds from disposal of property, plant and equipment and right-of-use assets	1,294	829
<b>Net cash generated from investing activities</b>	2,259	547

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**

For the year ended 31 December 2025

	<i>Notes</i>	2025 RM'000	2024 RM'000
<b>Cash flows from financing activities</b>			
Placing of shares		6,601	–
Repayment of lease liabilities		(2,037)	(1,370)
Raise of new loans		6,688	6,981
Repayment of bank borrowings		(6,208)	(7,228)
Interest paid		(547)	(439)
<b>Net cash generated from/(used in) financing activities</b>		<b>4,497</b>	<b>(2,056)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,477)</b>	<b>(10,182)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>6,054</b>	<b>20,545</b>
<b>Effect of foreign exchange rate changes</b>		<b>1,151</b>	<b>(4,309)</b>
<b>Cash and cash equivalents at end of year</b>		<b>3,728</b>	<b>6,054</b>
<b>Represented by:</b>			
Cash and bank balances	22	5,996	7,433
Bank overdrafts	26	(2,268)	(1,379)
		<b>3,728</b>	<b>6,054</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

VSING Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 18 February 2016 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 6 July 2016. The name of the Company has been changed from “Worldgate Global Logistics Ltd” to “VSING Limited” and dispensed with the existing dual foreign name in Chinese of the Company with effect from 26 September 2025.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong, Malaysia and Vietnam are located at Unit 5D, Hang Cheong Factory Building, No. 1, Wing Ming Street, Kowloon, Hong Kong, No. 42, Jalan Puteri 2/2, Bandar Puteri Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia and Lot 6, Dien Nam – Dien Ngoc Industrial Zone, Dien Ngoc Ward, Dien Ban Township, Quang Nam Province, Vietnam, respectively.

The Company is an investment holding company and the principal activities of its subsidiaries (together with the Company, collectively referred to as the “Group”) are engaging in an interactive entertainment technology platform and software business in Hong Kong, and providing international freight forwarding and logistics services, with a primary focus on air/sea freight forwarding and related services, trucking and warehousing to customers worldwide in Malaysia and Hong Kong, trading of used mobile phones in Hong Kong and manufacturing and trading of plastic products in Vietnam.

The functional currency of the Company is Hong Kong dollar (“HK\$”), while the consolidated financial statements are presented in Malaysian Ringgit (“RM”), which is the functional currency of some of the Company’s major subsidiaries. The directors consider that it is more appropriate to adopt RM as the Group’s and the Company’s presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

## 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company has applied the following 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 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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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 as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 2. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

#### New and amendments to HKFRS Accounting Standards in issue but 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:

Amendments to HKFRS 1, HKFRS 7, HKFRS 9,	Annual Improvement to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instrument <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The new standards and amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods except for the following:

#### HKFRS 18 Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aim to improve the transparency and compatibility of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Material accounting policy information

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, with limited exceptions.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

#### 3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.5 Intangible assets

Intangible assets acquired in a business combination are initially recognised at fair value at the acquisition date. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

The useful life is estimated at 5 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The carrying amount of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the asset may be impaired.

#### 3.6 Property, plant and equipment

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

Freehold land is not depreciated and are measured at cost less subsequent accumulated impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives are as follows:

Freehold land	N/A
Buildings	25 – 50 years
Motor vehicles	5 years
Leasehold improvements	5 – 10 years
Computers	3 – 5 years
Furniture, fixtures and equipment	10 years
Plant and machinery	5 – 13 years

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.7 Leases

##### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *The Group as a lessee*

###### **Short-term leases**

The Group applies the short-term lease recognition exemption to leases of office premises and machinery that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

###### **Right-of-use assets**

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.7 Leases (Continued)

##### *The Group as a lessee (Continued)*

##### **Lease liabilities**

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

#### 3.8 Impairment of property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.9 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

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

#### *Financial assets*

##### **Classification and subsequent measurement of financial assets**

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.9 Financial instruments (Continued)

##### *Financial assets (Continued)*

##### **Amortised cost and interest income**

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

##### **Financial assets at FVTPL**

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income and other net gain" line item.

##### **Impairment of financial assets subject to impairment assessment under HKFRS 9**

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade and other receivables and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.9 Financial instruments (Continued)

##### *Financial assets (Continued)*

##### **Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)**

##### *(i) Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.9 Financial instruments (Continued)

##### *Financial assets (Continued)*

##### **Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)**

##### *(ii) Definition of default*

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

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

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

##### *(iii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

##### *(iv) Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.9 Financial instruments (Continued)

##### *Financial assets (Continued)*

##### **Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)**

##### *(v) Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information. For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

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

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

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

##### **Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.9 Financial instruments (Continued)

##### *Financial liabilities and equity*

##### **Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

##### **Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

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

##### **Financial liabilities at amortised cost**

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

##### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

##### **Derecognition of financial liabilities**

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

#### 3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.11 Revenue from contracts with customers

The Group recognises revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

#### ***Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation***

##### **Output method**

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group’s performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group’s performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.11 Revenue from contracts with customers (Continued)

##### *Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group considered itself as the principal in the contracts with customers as it controls the good or service before the service is transferred to a customer.

#### 3.12 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 3.14 Employee benefits

##### (i) Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

##### (ii) LSP under the Hong Kong Employment Ordinance

For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contribution from the relevant employees.

##### (iii) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

##### Short-term and other long-term employee benefits

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.15 Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, interest in an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest, are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.15 Taxation (Continued)

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, the provisions for decommissioning and restoration and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### 3.16 Provisions

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### 3.17 Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Key sources of estimation uncertainty

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

#### *Provision of ECL for trade receivables*

The Group uses practical expedient in estimating ECL on trade receivables. The provision rates are based on ageing of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without under costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

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

#### Key sources of estimation uncertainty (Continued)

##### *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU to which goodwill has been allocated. The value in use calculation requires the management of the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Details of the recoverable amount calculation are set out in Note 17 to the consolidated financial statements.

### 5. REVENUE

#### (a) Disaggregation of revenue from contracts with customers

	Year ended 31 December	
	2025 RM'000	2024 RM'000
<b>Types of goods and services</b>		
<i>Recognised on over time basis:</i>		
Air freight forwarding and related services	17,180	10,851
Sea freight forwarding and related services	22,598	23,353
Trucking and warehouse and related services	3,351	2,537
Platform and digital service income	1,355	–
	<b>44,484</b>	<b>36,741</b>
<i>Recognised on a point in time basis:</i>		
Manufacturing and sale of plastic products	30,086	18,975
Trading of used mobile phones	45,407	29,757
Sales of interactive entertainment software and related products	3,251	–
	<b>78,744</b>	<b>48,732</b>
<b>Revenue from contracts with customers</b>	<b>123,228</b>	<b>85,473</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. REVENUE (Continued)

#### (b) Performance obligations for contracts with customers (Continued)

##### *Freight forwarding and related services*

The freight forwarding and related services income is recognised on over time basis as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group recognises the service fee receivable based on an output method. There is generally only one performance obligation. Invoices are issued when service is provided and the range of credit term granting to customers is 30 to 60 days.

##### *Trucking and warehouse and related services*

The Group provides trucking and warehouse and related services to customers. Revenue is recognised on over time basis as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. There is generally only one performance obligation. Invoices are issued when service is provided and the range of credit term granting to customers is 30 to 60 days.

##### *Trading of used mobile phones*

Sales are recognised on a point in time basis when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion right to direct the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and generally the customer has accepted the products in accordance with the sales contract. Invoices are issued when goods is delivered and the credit term of 30 days is granted to the customers.

##### *Manufacturing and sale of plastic products*

The Group manufactures and sales the plastic products to external customers directly. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the designated location. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and has the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods. Invoices are issued when goods is delivered and the credit term of 30–60 days is granted to the customers.

##### *Platform and digital service income*

The platform and digital service income is recognised on an over time basis as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. The Group recognises the service fee receivable based on an output method. There is generally only one performance obligation. Invoices are issued when service is provided and the range of credit terms granted to customers is 30 to 60 days.

##### *Sales of interactive entertainment software and related products*

Sales are recognised on a point in time basis when control of the products has transferred, being when the software and related products are delivered to the customer, the customer has full discretion right to direct the goods and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped or electronically delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and generally the customer has accepted the products in accordance with the sales contract. Invoices are issued when goods are delivered and the credit term of 30 days is granted to the customers.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 5. REVENUE (Continued)

#### (c) Transaction allocated to the remaining performance obligation for contracts with customers

All sales contracts entered into by the Group have an original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to the remaining performance obligation for these contracts is not disclosed.

### 6. OPERATING SEGMENTS

The Group manages its businesses by business lines in a manner consistent with the way in which information is reported internally to the Group's Chief Operating Decision Maker ("CODM"), being the executive directors of the Company, for the purposes of resource allocation and performance assessment.

The Group has four (2024: three) reportable segments. The segments are managed separately because each segment offers different products and services and requires different strategies. The Group's reportable and operating segments are as follows:

- Interactive entertainment technology platform and software business
- Freight forwarding and related services
- Trading of used mobile phones
- Manufacturing and sale of plastic products

The platform and digital service, freight forwarding services, manufacturing and trading business are designated by the CODM as principal activities of the Group and they are separately reviewed and evaluated for management reporting purpose.

No operating segments have been aggregated to form the reportable segments.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is measure of adjusted profit/(loss) before taxation. The adjusted profit/loss before taxation is measured consistently with the Group's profit/(loss) before taxation, but share of results of an associate and fair value changes on financial assets at FVTPL, gain on deemed disposal of interest in an associate and unallocated corporate expenses, being central administrative costs, are excluded from such measurement.

Segment assets include all current and non-current assets with the exception of financial assets at FVTPL, interest in an associate and unallocated corporate assets. Segment liabilities include all current and non-current liabilities with the exception of unallocated corporate liabilities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 6. OPERATING SEGMENTS (Continued)

#### (a) Segment revenues and results

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

	Year ended 31 December									
	Interactive entertainment technology platform and software business		Freight forwarding and related services		Trading of used mobile phones		Manufacturing and sale of plastic products		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from external customers	4,606	N/A	43,129	36,741	45,407	29,757	30,086	18,975	123,228	85,473
Reportable segment profit/(loss)	(2,689)	N/A	(302)	(794)	(3,178)	(3,173)	557	(1,735)	(5,612)	(5,702)
Other information: <i>Amounts included in the measure of segment profit or loss:</i>										
Interest income	1	N/A	96	156	-	81	-	1	97	238
Finance costs	(174)	N/A	(238)	(247)	(5)	-	(267)	(247)	(684)	(494)
Depreciation of property, plant and equipment	(188)	N/A	(15)	(28)	-	-	(1,160)	(66)	(1,363)	(94)
Depreciation of right-of-use assets	(911)	N/A	(514)	(189)	-	-	(107)	(22)	(1,532)	(211)
Gains on disposal of property, plant and equipment	-	N/A	71	339	-	-	-	-	71	339
Net provision of impairment losses on trade and other receivables	(1,318)	N/A	-	(25)	(1,540)	(8)	-	(50)	(2,858)	(83)
Impairment losses on property, plant and equipment	-	N/A	-	-	-	-	-	(457)	-	457
Impairment losses on right-of-use assets	-	N/A	-	-	(155)	-	-	(32)	(155)	(32)
Reportable segment assets	18,294	N/A	16,186	14,629	4,325	7,615	13,452	10,106	52,257	32,350
<i>Amounts included in the measure of segment assets:</i>										
Additions to non-current assets:										
- Property, plant and equipment	861	N/A	334	94	-	-	1,934	648	3,129	742
- Right-of-use assets	3,891	N/A	150	240	186	-	-	54	4,227	294
	4,752	N/A	484	334	186	-	1,934	702	7,356	1,036
Reportable segment liabilities	(10,312)	N/A	(8,071)	(8,314)	(502)	(1,961)	(14,300)	(11,414)	(33,185)	(21,689)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 6. OPERATING SEGMENTS (Continued)

#### (a) Segment revenues and results (Continued)

No inter-segment revenue was noted during the year ended 31 December 2025 and 2024.

Reconciliations of reportable segment profit or loss and segment assets and liabilities are as follows:

	Year ended 31 December	
	2025 RM'000	2024 RM'000
<b>Segment profit or loss</b>		
Reportable segment loss	(5,612)	(5,702)
Unallocated amounts:		
Fair value changes on financial assets at FVTPL	(5,624)	(1,630)
Share of results of an associate	–	(520)
Gain on deemed disposal of interest in an associate	–	3,086
Impairment of goodwill	(58,700)	–
Unallocated corporate expenses, net	(4,261)	(2,681)
Loss before taxation	(74,197)	(7,447)
<b>Segment assets</b>		
Total assets of reportable segments	52,257	32,350
Financial assets at FVTPL	3,445	9,995
Goodwill	21,540	–
Unallocated corporate assets	17,378	4,984
Consolidated total assets	94,620	47,329
<b>Segment liabilities</b>		
Total liabilities of reportable segments	(33,185)	(21,689)
Unallocated corporate liabilities	(1,374)	(1,399)
Consolidated total liabilities	(34,559)	(23,088)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 6. OPERATING SEGMENTS (Continued)

#### (b) Geographic information

Information about the Group's revenue from external customers is presented based on the location of the operation of subsidiaries that earned the revenue. For revenue from cross-border logistic services, it is presented based on the location where the contract is negotiated and effected.

The following table provides an analysis of the Group's revenue from external customers and non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia (place of domicile)	43,109	36,685	2,800	2,047
Vietnam	30,086	18,975	1,197	341
The People's Republic of China ("PRC"), including Hong Kong	50,033	29,813	4,331	–
Total	123,228	85,473	8,328	2,388

*Note:* Non-current assets exclude intangible assets, goodwill and financial assets at fair value through profit or loss.

#### (c) Information about major customers

Revenue from customer during the year contributing over 10% of the total revenue of the Group is as follows:

	2025 RM'000	2024 RM'000
Customer A <sup>1</sup>	35,996	16,094
Customer B <sup>1</sup>	–	10,962

<sup>1</sup> Revenue relating to trading of used mobile phones.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 7. OTHER INCOME AND OTHER NET GAIN AND LOSS

	Year ended 31 December	
	2025 RM'000	2024 RM'000
<b>Other income</b>		
Bank interest income	118	538
Dividend income	–	19
Others	178	193
Gain on disposal of property, plant and equipment and right-of-use assets	71	339
Gain on deemed disposal of an associate	–	3,086
Impairment loss on property, plant and equipment	–	(529)
Impairment loss on right-of-use assets	(155)	(32)
Impairment loss on goodwill	(58,700)	–
<b>Other net gain and loss</b>		
Exchange difference, net	404	357
Sale of scrapped products and samples, net	–	30
	(58,084)	4,001

### 8. FINANCE COSTS

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Interest on bank overdrafts	137	55
Interest on bank borrowings	275	270
Interest on lease liabilities	272	169
	684	494

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. INCOME TAX CREDIT/(EXPENSE)

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Current income tax		
– Malaysia	(27)	(10)
Under provision in prior years		
– Malaysia income tax	–	(19)
Deferred tax benefit	139	–
<b>Income tax credit/(expense)</b>	<b>112</b>	<b>(29)</b>

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is not subject to income tax in the Cayman Islands.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are 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%.

Malaysia income tax is calculated at the statutory rate of 24% (2024: 24%) of the estimated taxable profit for the year. Certain subsidiaries incorporated in Malaysia enjoy tax rate of 17% (2024: 17%) on the first RM600,000 and remaining balance of the estimated taxable profit at tax rate of 24% (2024: 24%).

Vietnam income tax is calculated at the statutory rate of 20% of the estimated taxable profits for the year.

No provision for Hong Kong Profits tax and Vietnam corporate income tax has been made as the Group did not generate assessable profits for the years ended 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 9. INCOME TAX CREDIT/(EXPENSE) (Continued)

Reconciliation between income tax (credit)/expense and accounting loss at applicable tax rates is as follows:

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Loss before taxation	(74,197)	(7,447)
Notional tax on loss before taxation, calculated at the rates applicable to losses in the countries concerned	(12,239)	(1,352)
Tax effect of non-deductible expenses	12,098	438
Tax effect of non-taxable income	(341)	(681)
Tax effect on tax loss not recognised	314	1,511
Tax effect of share of result of an associate	–	86
Tax effect of deductible temporary differences not recognised	53	8
Under-provision in prior years	3	19
Income tax (credit)/expense	(112)	29

### 10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Auditor's remuneration		
– audit services	336	326
– other services	301	36
Bad debt written off	55	–
Depreciation of property, plant and equipment	1,301	94
Depreciation of right-of-use assets	1,572	211
Amortisation of intangible assets	903	–
Expense on short-term lease	308	138
Costs of inventories purchased for resale	41,750	26,566
Costs of materials consumed	14,048	14,502
Staff costs (including directors' remuneration)		
– Wages, fee and salaries	12,707	16,002
– Welfare and other benefits	178	347
– Contributions to defined contribution plans	228	1,005

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

#### (a) Directors' and chief executive officers' emoluments

The remuneration of every director and the chief executive for the year is set out below:

	Fee RM'000	Salaries and other benefits RM'000	Contributions to defined contribution plans RM'000	Total RM'000
<b>Year ended 31 December 2025</b>				
<i>Executive directors:</i>				
Lai Kwok Hei	456	–	10	466
Chan Kin Ho Philip ( <i>Chief executive</i> )	94	–	5	99
Ngu Sing King	–	–	–	–
<i>Independent non-executive directors:</i>				
Wong Hoi Yan, Audrey	99	–	–	99
Ma Kin Hung	99	–	–	99
Cheung Choi Hung	99	–	–	99
	<b>847</b>	<b>–</b>	<b>15</b>	<b>862</b>
<b>Year ended 31 December 2024</b>				
<i>Executive directors:</i>				
Lai Kwok Hei	468	–	11	479
Chan Kin Ho Philip ( <i>Chief executive</i> )	105	–	5	110
<i>Independent non-executive directors:</i>				
Wong Hoi Yan, Audrey	105	–	–	105
Ma Kin Hung	105	–	–	105
Cheung Choi Hung	105	–	–	105
	<b>888</b>	<b>–</b>	<b>16</b>	<b>904</b>

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company (including any person who at any time during the year was a director) or the director's connected entity has a material interest, whether directly or indirectly subsisted at the end of the year or at any time during the year (2024: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 11. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (Continued)

#### (b) Five highest paid employees

The five highest-paid employees of the Group during the year included one (2024: one) director, whose remunerations are reflected in the analysis presented above. The remunerations of remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company for the year are set out below:

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Wages and salaries	2,826	3,027
Discretionary bonus	–	–
Contributions to defined contribution plans	104	98
	<b>2,930</b>	<b>3,125</b>

The number of the highest paid employees who are not the directors whose remuneration fell within the following bands is as follows:

	2025 Number of employees	2024 Number of employees
Nil to RM549,000 (equivalent to approximately HK\$1,000,000)	3	3
RM549,001–RM823,500 (equivalent to approximately HK\$1,000,001–HK\$1,500,000)	–	–
RM823,501–RM1,373,000 (equivalent to approximately HK\$1,500,001–HK\$2,500,000)	1	1
	<b>4</b>	<b>4</b>

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: nil).

No remuneration was paid by the Group to the directors or chief executive or any of the five highest paid employees as an inducement to join or upon joining the Group, or compensation for loss of office during the year (2024: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 12. DIVIDENDS

The board of directors does not recommend payment of any dividend for the year ended 31 December 2025 (2024: nil).

### 13. LOSS PER SHARE

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Loss for the year attributable to the owners of the Company	(74,465)	(6,180)

#### Number of shares

	Year ended 31 December	
	2025	2024
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share:		
Issued ordinary shares at 1 January	633,600,000	633,600,000
Effective of placing of shares	106,236,493	–
Effect of share issued as consideration of acquisition of subsidiary	139,397,260	–
	<b>879,233,753</b>	633,600,000

No adjustment is made in arriving at diluted loss per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computers RM'000	Furniture, fixtures and equipment RM'000	Plant and machinery RM'000	Total RM'000
<i>Cost:</i>								
As at 1 January 2024	1,227	1,841	7,157	2,078	4,790	1,858	6,614	25,565
Additions	-	-	186	-	67	105	462	820
Disposals	-	(703)	(269)	(21)	-	(3)	-	(996)
Exchange realignment	-	(45)	(7)	(14)	(51)	(129)	(1,009)	(1,255)
As at 31 December 2024 and 1 January 2025	1,227	1,093	7,067	2,043	4,806	1,831	6,067	24,134
Acquisition of subsidiaries	-	-	-	154	235	242	-	631
Additions	-	17	191	390	407	445	1,727	3,177
Disposals	(910)	(390)	-	(971)	(622)	(516)	(5)	(3,414)
Exchange realignment	-	(70)	(34)	(75)	(249)	(58)	(1,471)	(1,957)
<b>As at 31 December 2025</b>	<b>317</b>	<b>650</b>	<b>7,224</b>	<b>1,541</b>	<b>4,577</b>	<b>1,944</b>	<b>6,318</b>	<b>22,571</b>
<i>Accumulated depreciation:</i>								
As at 1 January 2024	-	1,057	7,157	2,078	4,790	1,858	6,614	23,554
Charge for the year	-	15	12	-	4	8	55	94
Written back on disposals	-	(498)	(269)	(21)	-	(3)	-	(791)
Impairment	-	-	-	-	-	72	457	529
Exchange realignment	-	(44)	-	(14)	(52)	(127)	(1,062)	(1,299)
As at 31 December 2024 and 1 January 2025	-	530	6,900	2,043	4,742	1,808	6,064	22,087
Acquisition of subsidiaries	-	-	-	5	42	21	-	68
Charge for the year	-	36	33	40	46	45	1,101	1,301
Written back on disposals	-	(83)	-	(971)	(622)	(516)	-	(2,192)
Exchange realignment	-	(69)	(2)	(66)	(232)	(45)	(1,433)	(1,847)
<b>As at 31 December 2025</b>	<b>-</b>	<b>414</b>	<b>6,931</b>	<b>1,051</b>	<b>3,976</b>	<b>1,313</b>	<b>5,732</b>	<b>19,417</b>
<i>Carrying amounts:</i>								
<b>As at 31 December 2025</b>	<b>317</b>	<b>236</b>	<b>293</b>	<b>490</b>	<b>601</b>	<b>631</b>	<b>586</b>	<b>3,154</b>
As at 31 December 2024	1,227	563	167	-	64	23	3	2,047

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

As at 31 December 2025 and 2024, freehold land and buildings included in property, plant and equipment are all situated in Malaysia and Vietnam.

As at 31 December 2025, the Group's freehold land, buildings, and plant and machinery and motor vehicle with carrying amount before impairment of approximately RM317,000 (2024: RM1,226,000), approximately RM247,000 (2024: RM470,000), approximately RM2,208,000 (2024: RM2,088,000) and approximately RM296,000 (2024: RM168,000) respectively, were pledged to secure the bank borrowings granted to the Group by licensed banks (note 26).

During the year ended 31 December 2025, as manufacturing and sale of plastic products segment ("CGU 2") generated a net profit and trading of used mobile phones segment ("CGU 3") held no property, plant and equipment during the year ended 31 December 2025, management concluded that there were no impairment indicators for the property, plant and equipment allocated to these segments. However, as freight forwarding and related services segment ("CGU 1") incurred a net loss during the year, management identified an indication of impairment and conducted an impairment assessment on the recoverable amount of the assets allocated to CGU 1, including property, plant and equipment.

The recoverable amount of CGU 1 has been determined based on a value in use calculation using cash flow projections derived from financial budgets approved by management covering a five-year period from 2026 to 2030. The value in use calculation utilises a pre-tax discount rate of 8.1% and a terminal growth rate of 1.6%.

Based on the assessment, the value in use of CGU 1 was determined to be approximately RM7,473,000 as at 31 December 2025, which exceeds the carrying amount of CGU 1. Accordingly, no impairment loss related to CGU 1 has been recognised against property, plant and equipment for the year ended 31 December 2025. Management considers that the recoverable amount adequately covers the carrying amounts of the fixed assets within CGU 1, and no further write-down is required.

During the year ended 31 December 2024, the Group incurred net loss in the CGU 1 and sale of plastic products segment CGU 2 and CGU 3, the management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment, right-of-use assets and goodwill with carrying amounts before impairment of approximately RM2,576,000, approximately RM373,000 and Nil, respectively, after taking into account the impairment losses of approximately RM529,000, approximately RM32,000 and Nil, respectively. The recoverable amount of freehold land and buildings of property, plant and equipment with carrying amounts before impairment of approximately RM1,790,000 and related leaseholds land of right-of-use assets with carrying amounts before impairment of Nil, within the CGU 1 segment is estimated individually.

During the year ended 31 December 2024, the recoverable amount of CGU 1 and CGU 2 has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the respective subsidiary covering the following 5 years with a pre-tax discount rate is 10% and 16% respectively as at 31 December 2024. The annual growth rate used is 2% and 3% respectively.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of the CGU 1 and CGU 2 is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment, right-of-use assets and goodwill, such that the carrying amount of each category of asset is not reduced to below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, an impairment loss of approximately RM72,000 and approximately RM457,000 has been recognised against the carrying amount of property, plant and equipment for CGU 1 and CGU 2 respectively.

The carrying amount of the freehold land and buildings of property, plant and equipment and related leaseholds land of right-of-use assets for CGU 1 has not been reduced since the fair value less cost of disposal is higher than the carrying amount. The owned properties were measured at fair value based on Level 3 hierarchy using market approach based on the recent transaction prices for similar property, plant and equipment adjusted for their nature, location and conditions. The Market unit rate used is range from RM324 to RM533 per square feet, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 15. RIGHT-OF-USE ASSETS

	Leasehold lands RM'000	Leased properties RM'000	Motor vehicles RM'000	Total RM'000
<b>At 31 December 2025</b>				
Carrying amount	335	4,669	170	5,174
<b>At 31 December 2024</b>				
Carrying amount	39	222	80	341
<b>For the year ended 31 December 2025</b>				
Depreciation charge	106	1,387	79	1,572
<b>For the year ended 31 December 2024</b>				
Depreciation charge	21	30	160	211

Note: As at 31 December 2025 leasehold land of RM35,000 (2024: RM35,000) was pledged to secure the bank borrowings granted to the Group by a licensed bank (note 26).

	Year ended 31 December	
	2025 RM'000	2024 RM'000
Expense relating to short-term leases	308	138
Total cash outflow for leases (including short term leases)	2,617	1,677
Additions to right-of-use assets	6,779	546
Net book value of right-of-use assets disposed	-	285
Impairment loss	155	32

The Group is the registered owner of the buildings as stated in note 14, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

The leasehold lands upon which certain buildings of the Group are situated in Malaysia and Vietnam and held under leases with remaining lease term of more than 50 years for the leasehold land in Malaysia and remaining lease term of more than 20 years for the leasehold land in Vietnam.

For both years, the Group leases various office premises and motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 to 4 years (2024: 1 to 4 years) for office premises and 2 to 5 years (2024: 2 to 5 years) for motor vehicles. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for office premises and machinery.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 15. RIGHT-OF-USE ASSETS (Continued)

As the Group incurred a net loss in CGU 1 during the year ended 31 December 2025, management concluded there was an indication of impairment and conducted an impairment assessment on the recoverable amounts of certain right-of-use assets allocated to CGU 1. CGU 2 generated a profit during the year and thus no impairment indicator was identified for the assets allocated to this segment. In respect of CGU 3, management assessed the right-of-use assets with a carrying amount of approximately RM155,000 and, following a strategic review aimed at cost optimization and operational restructuring, concluded that the leased assets would not generate sufficient future economic benefits. Consequently, an impairment loss of approximately RM155,000 was recognised in full against the right-of-use assets of CGU 3.

During the year ended 31 December 2025, the recoverable amount of CGU 1 has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period from 2026 to 2030, with a pre-tax discount rate of 8.1% and a terminal growth rate of 1.6% as at 31 December 2025.

Based on the assessment, the value in use of CGU 1 was determined to be approximately RM7,473,000 as at 31 December 2025, which exceeds the carrying amount of the property, plant and equipment allocated to this segment. Accordingly, no impairment loss related to CGU 1 has been recognised against right-of-use assets for the year ended 31 December 2025. Management considers that the recoverable amount adequately covers the carrying amounts of the right-of-use assets within CGU 1, and no further write-down is required.

As the Group incurred net loss in CGU 1, CGU 2 and CGU 3 during the ended 31 December 2024, the management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment, right-of-use assets and goodwill with carrying amounts before impairment of approximately RM2,576,000, approximately RM373,000 and Nil respectively, after taking into account the impairment losses of approximately RM529,000, approximately RM32,000 and Nil respectively. The recoverable amount of freehold land and buildings of property, plant and equipment with carrying amounts before impairment of approximately RM1,790,000 and related leaseholds land of right-of-use assets with carrying amounts before impairment of Nil, within the CGU 1 segment is estimated individually.

During the year ended 31 December 2024, the recoverable amount of CGU 1 and CGU 2 has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the respective subsidiary covering the following 5 years with a pre-tax discount rate is 10% and 16% respectively as at 31 December 2024. The annual growth rate used is 2% and 3% respectively.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of the CGU 1 and CGU 2 is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment, right-of-use assets and goodwill, such that the carrying amount of each category of asset is not reduced to below the highest of its fair value less cost of disposal, its value in use and zero. Based on the value in use calculation and the allocation, an impairment loss of Nil and approximately RM32,000 has been recognised against the carrying amount of right-of-use assets for CGU 1 and CGU 2 respectively.

The carrying amount of the freehold land and buildings of property, plant and equipment and related leaseholds land of right-of-use assets for CGU 1 has not been reduced since the fair value less cost of disposal is higher than the carrying amount. The owned properties were measured at fair value based on Level 3 hierarchy using market approach based on the recent transaction prices for similar property, plant and equipment adjusted for their nature, location and conditions. The Market unit rate used is range from ranged from RM324 to RM533 per square feet, taking into account the recent transaction prices for similar properties adjusted for nature, location and conditions of the property.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 16. INTANGIBLE ASSET

	Software and IT platform RM'000
Cost	
At 1 January 2024, 31 December 2024 and 1 January 2025	–
Acquisition of subsidiaries	10,357
Exchange realignment	300
<b>At 31 December 2025</b>	<b>10,657</b>
Accumulated amortisation	
At 1 January 2024, 31 December 2024 and 1 January 2025	–
Charge for the year	903
<b>At 31 December 2025</b>	<b>903</b>
Carrying values	
At 31 December 2025	<b>9,754</b>
At 31 December 2024	–

Intangible asset was arising from the acquisition of V Sing Global Limited completed on 25 July 2025. It comprises the core software and enabling technology utilised in the Group's AI-driven social entertainment and music ecosystem. It was valued as of the acquisition date by an independent qualified valuer on the basis of the excess cash flow method under the income approach, whereby the asset is valued after deducting a fair return on all other contributory assets that are part of creating the related cash flows, including net working capital, fixed assets, and the assembled workforce.

The management of the Group considered the intangible asset has a finite useful life, estimated at approximately 5 years, and is amortised on a straight-line basis over its estimated useful life.

During the year ended 31 December 2025, the management reviewed the recoverable amount of the intangible assets arising from the intangible assets with reference to the valuation carried out by an independent qualified valuer not connected to the Group, who has extensive experience in fair value assessment of technology-driven intangible assets.

As at 31 December 2025, the recoverable amount of the intangible assets was determined based on its value-in-use using the income approach – excess cash flow method. This approach isolates the after-tax cash flows generated specifically by the platform, after deducting routine earnings and contributory asset charges attributable to other assets (e.g., working capital, fixed assets). The valuation was based on cash flow projections from management-approved budgets for the projection period from 2026 to 2030, discounted at a post-tax rate of 14.1%, reflecting the asset's specific risk profile, the nature of software intangibles, and the Group's weighted average cost of capital. For the year ended 31 December 2025, no impairment loss was recognised for the intangible assets (2024: Nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 17. GOODWILL

	2025 RM'000	2024 RM'000
Cost:		
At 1 January	998	1,019
Acquisition of subsidiaries	80,090	–
Profit guarantee achieved	150	–
Exchange realignment	(95)	21
At 31 December	81,143	998
Accumulated impairment losses:		
At 1 January	998	1,019
Impairment loss recognised for the year	58,700	–
Exchange realignment	(95)	21
At 31 December	(59,603)	998
Net carrying amount:		
At 31 December	21,540	–

#### Impairment test for cash-generating unit containing goodwill

Goodwill is allocated to the Group's CGU of interactive entertainment technology platform and software business segment ("CGU 4"), and the carrying amount is as follows:

	2025 RM'000	2024 RM'000
Interactive entertainment technology platform and software business	21,540	–

In accordance with HKFRS 3 Business Combinations, goodwill arising from the acquisition of V Sing Global Limited ("VSING") was determined as the residual amount of the purchase consideration after allocating fair values to all identifiable assets acquired and liabilities assumed. The acquisition consideration was settled through the issuance of 318,000,000 new shares, with a fair value of approximately RM102,704,000 as at the acquisition date. After adjusting for a contingent profit guarantee liability valued at approximately RM150,000 (measured using a Black-Scholes-Merton option pricing model), the implied enterprise value of the acquisition was approximately RM102,554,000.

Following the purchase price allocation, the fair value of net identifiable tangible and intangible assets acquired, including approximately RM10,357,000 attributed to the core "VSING Platform" software technology and enabling AI infrastructure, was recognized alongside all assumed current and deferred liabilities. The residual balancing amount of approximately RM80,090,000 was recognised as goodwill. This goodwill embodies the expected synergistic benefits, strategic market positioning, future revenue growth potential from the AI-driven social entertainment ecosystem, and the value of unrecognizable intangibles such as brand equity, customer relationships, distributor network synergies, and international expansion opportunities that do not meet the separate recognition criteria under HKAS 38 *Intangible Assets*.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 17. GOODWILL (Continued)

#### Impairment test for cash-generating unit containing goodwill (Continued)

Pursuant to HKAS 36 Impairment of Assets, management performed its annual impairment assessment of the goodwill and associated long-lived assets allocated to CGU 4 as at 31 December 2025. To ensure objectivity, methodological rigour, and compliance with regulatory expectations, the valuation was carried out by an independent professional valuer with extensive experience in business combinations, technology-enabled entertainment platforms, and impairment testing under HKFRS. Management retained oversight of the valuation process, critically reviewed the underlying assumptions, and validated the prospective financial information provided to the valuer. The recoverable amount was determined based on its value-in-use ("VIU"), calculated using a discounted cash flow ("DCF") model prepared by the independent valuer in accordance with International Valuation Standards ("IVS") and HKAS 36.

The VIU analysis incorporated management's prospective financial information for a five-year explicit forecast period (2026-2030), reflecting steady revenue expansion across franchise arrangements, venue subscription models, international distributor networks, and digital monetization channels (including virtual gifting and in-app purchases). Projected free cash flows were derived from forecasted EBIT margins, tax-adjusted earnings, depreciation, capital expenditures, and incremental working capital requirements. A terminal value was estimated using the Gordon Growth Model, applying a long-term sustainable growth rate of 2.5%, which is consistent with long-run macroeconomic expectations for the Asia-Pacific entertainment technology sector.

The initial goodwill of approximately RM80,090,000 arose from the purchase price allocation at the acquisition date. The magnitude of the goodwill was significantly influenced by a substantial appreciation in the Company's share price between the sales and purchase agreement signing date and the completion date, which materially increased the fair value of the 318,000,000 consideration shares issued to settle the transaction. Following completion, the Board and management, together with an independent professional valuer, performed a value-in-use ("VIU") assessment as at 31 December 2025 using a discounted cash flow ("DCF") model.

Although the acquired business successfully met its profit guarantee and maintained strong gross margins, the value-in-use VIU of the cash-generating unit ("CGU 4") was determined to be approximately RM40,620,000 as at 31 December 2025. Accordingly, an impairment loss of RM58,700,000 was recognised to realign the carrying amount of goodwill with its recoverable amount in compliance with HKAS 36.

The VIU was derived using a discounted cash flow model based on management-approved prospective financial information, discounted at a pre-tax weighted average cost of capital ("WACC") of 16.5% (equivalent to a post-tax WACC of 14.0%). This discount rate was calculated using the Capital Asset Pricing Model ("CAPM"), incorporating a market-derived cost of equity of 14.5%, a country risk premium, a small-cap premium, and a 1.0% company-specific risk premium, adjusted for the target capital structure and post-tax cost of debt. The impairment reflects a prudent recalibration of the asset's carrying value to reflect sustainable long-term cash flow generation, rather than the temporary share price peak that materially inflated the initial goodwill balance at acquisition completion. It also appropriately accounts for the business's current transitional expansion phase, wherein revenue composition is shifting from upfront franchise and setup fees towards recurring digital monetisation and subscription streams that require additional runway to scale.

To assess the robustness of the valuation, management performed a sensitivity analysis on the key assumptions underlying the VIU calculation. Variations in the terminal growth rate (0.5% to 4.5%) and pre-tax discount rate (14.5% to 18.5%) indicate a recoverable amount range of approximately RM34,276,000 to RM51,571,000. Management compared the VIU against the carrying amount of the CGU (including allocated goodwill) to determine impairment loss should be recognised at RM58,700,000. In accordance with HKAS 36, any impairment identified would be allocated first to reduce the carrying amount of goodwill before being applied pro-rata to other long-lived assets within the CGU.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 18. INTEREST IN AN ASSOCIATE

	2025 RM'000	2024 RM'000
Cost of investment in an associate ( <i>note (i), (ii), (iii)</i> )	–	7,119
Share of post-acquisition loss and other comprehensive expense	–	(604)
Exchange adjustments	–	36
Reclassification of exchange reserve on disposal	–	439
Deemed disposal of interest in an associate	–	(6,112)
	–	–

Detail of the Group's associate at the end of the reporting period is as follows:

Name of entity	Country of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group				Proportion of voting rights held by the Group				Principal activity
			2025		2024		2025		2024		
			Directly	Indirectly	Directly	Indirectly	Directly	Indirectly	Directly	Indirectly	
Active Ideal Holdings Limited ("Active Ideal")	BVI	BVI	–	–	–	–	–	–	–	–	Investment holding

Notes:

- (i) During the year ended 31 December 2024, a reorganisation was undertaken to directly hold 16.5% equity interest of GLAM Capital. Before the reorganisation, Active Ideal of which 33% equity interest is held by the Group as an associate. Under the reorganisation, 16.5% equity interests of GLAM Capital are transferred to the Group by Active Ideal.

Following the transaction, the Group ceased to have significant influence over Active Ideal, and the investment was derecognised as an associate. As a result, Active Ideal was derecognised as an associate, and a gain on deemed disposal of RM3,086,000 was recognised in profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 19. INVENTORIES

	2025 RM'000	2024 RM'000
Raw materials	2,701	2,306
Finished goods		
– Plastic products	2,906	1,914
– Used mobile phones	439	367
– Others	240	–
	<b>6,286</b>	<b>4,587</b>

The carrying amounts of finished goods included trading goods held for resale of RM439,000 (2024: RM367,000).

### 20. TRADE AND OTHER RECEIVABLES

	Note	2025 RM'000	2024 RM'000
Trade receivables arising from contract with customers		31,656	22,330
Less: Allowance for credit losses		(8,724)	(6,631)
		<b>22,932</b>	<b>15,699</b>
Prepayments and deposits		1,688	2,928
Other receivables:			
Amounts due from third parties	(i)	8,873	3,887
Amount due from VSING (Malaysia) SDN BHD	(ii)	5,119	–
Amount due from TSG Hong Kong Limited	(iii)	1,202	–
Less: Allowance for credit losses		(635)	(512)
		<b>14,559</b>	<b>4,074</b>
Total trade and other receivables		<b>39,179</b>	<b>22,701</b>

The Group did not hold any collateral as security or other credit enhancements over the trade receivables. The average credit period granted to trade debtors ranging from 30 to 60 days from the invoice date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 20. TRADE AND OTHER RECEIVABLES (Continued)

The following is an ageing analysis of the trade receivables presented based on the invoice date is as follows:

	2025 RM'000	2024 RM'000
Within 1 month	16,795	11,200
1 to 2 months	3,718	3,782
2 to 3 months	1,699	901
Over 3 months	9,444	6,447
	<b>31,656</b>	<b>22,330</b>

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate gross carrying amounts of approximately RM13,454,000 (2024: RM12,860,000) which are past due at the end of the reporting period.

(i) The amounts are unsecured, interest-free and has no fixed terms of repayment.

(ii) **Amount due from VSING (Malaysia) SDN BHD**

VSING (Malaysia) SDN BHD is a company incorporated in Malaysia, partially owned by Mr. Teoh Zing Keat, the director of V Sing Global Limited, V Sing International Limited and V Sing Technologies Sdn Bhd, the subsidiaries of the Group, and partially owned by Mr. Le Yong Chin, Ivan, who are director of V Sing Technologies Sdn Bhd, a subsidiary of the Group.

The outstanding balance represents advances extended to VSING (Malaysia) SDN BHD prior to the acquisition of the V Sing Global Group completed on 25 July 2025. The amount is unsecured, interest-free and has no fixed terms of repayment.

(iii) **Amount due from TSG Hong Kong Limited**

TSG Hong Kong Limited is a company incorporated in Hong Kong, wholly owned by Mr. Le Yong Chin, Ivan, who are director of V Sing Technologies Sdn Bhd, a subsidiary of the Group. The outstanding balance represents advances extended to TSG Hong Kong Limited prior to the acquisition of the V Sing Global Group completed on 25 July 2025. The amount is unsecured, interest-free and has no fixed terms of repayment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RM'000	2024 RM'000
Financial assets designated at FVTPL:		
Equity securities listed in Bursa Malaysia Berhad	132	433
Unlisted equity investment ( <i>note (i)</i> )	3,313	9,562
	<b>3,445</b>	9,995
Current portion	132	433
Non-current portion	3,313	9,562
	<b>3,445</b>	9,995

*Note:*

- (i) The unlisted investments represents:
- a 5% equity interests in a private entity incorporated in Hong Kong, principally engaged in development and marketing of visual technology software products and provision of related consulting services.
  - As at 31 December 2025, the Company held 1,650,000 shares (representing 16.5% effective interest) in GLAMOORE Capital Group Company Limited ("GLAMOORE"), a specialized financial services provider based in Hong Kong with operations conducted by GLAM Capital Limited ("GCL") and Grand Moore Capital Limited ("GMCL"). GCL is licensed with the Securities and Futures Commission of Hong Kong ("SFC") to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, including placing and underwriting services, investment advisory services, asset management services and securities brokerage services. GMCL is licensed with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, including IPO sponsorship services, corporate finance, capital market advisory services and placing and underwriting services.

The performance of GLAMOORE during the financial year ended 31 December 2025 is as follows:

Investment cost as at 31 December 2025 RM'000	Fair value as at as at 31 December 2025 RM'000	Changes in fair value during the year RM'000	Dividend received during the year RM'000	Realised or unrealised gain or loss during the year RM'000
8,176	2,682	5,425	Nil	Nil

For the financial year ended 31 December 2025, GLAMOORE recorded unaudited consolidated revenue of approximately RM27.9 million and net loss of approximately RM8.1 million. The Group targets to hold GLAMOORE as long-term investment and has no intention to dispose of GLAMOORE within twelve months from the end of the reporting period. The fair value of GLAMOORE accounted for approximately 2.8% of the Group's total assets as at 31 December 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 22. CASH AND BANK BALANCES

Cash and bank balances comprise bank balances and cash held by the Group and short-term bank deposits placed in banks with an original maturity within three months.

Bank balances carry interest at market rates which range from 0% to 0.1% (2024: 0% to 0.1%) per annum.

As at 31 December 2025, the Group had bank balances and cash denominated in RM that were either not freely convertible or were subject to exchange controls in the Malaysia, amounting to approximately RM3,536,000 (2024: RM5,395,000).

Details of impairment assessment of bank balances are set out in note 33(b).

### 23. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables of the Group based on the invoice date are as follows:

	2025 RM'000	2024 RM'000
Within 1 month	2,797	4,345
1 to 2 months	1,510	1,757
2 to 3 months	702	178
More than 3 months but less than 12 months	5,526	2,477
	<b>10,535</b>	<b>8,757</b>
Accruals	2,838	2,143
Other payables	3,406	3,958
<b>Total trade and other payables</b>	<b>16,779</b>	<b>14,858</b>

Trade and other payables are non-interest bearing. The Group is normally granted credit terms ranging from 0 to 30 days from the invoice date.

### 24. CONTRACT LIABILITIES

	2025 RM'000	2024 RM'000
Manufacturing and trading of plastic products	1,288	1,996
Interactive entertainment technology platform and software business	2,218	–
	<b>3,506</b>	<b>1,996</b>

As at 1 January 2024, contract liabilities amounted to RM46,000.

Contract liabilities represented advance deposits received from customers for providing manufacturing and trading of plastic products.

Contract liabilities are classified as current as they are expected to be settled within one year or less.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 25. DEFERRED TAX LIABILITIES

	Temporary difference on intangible asset
As at 1 January 2024, 31 December 2024 and 1 January 2025	–
Acquisition of subsidiaries	1,662
Credited to profit or loss for the year ( <i>note 9</i> )	(139)
As at 31 December 2025	1,523

No deferred tax asset has been provided in the consolidated financial statements as there were no material deductible temporary differences as at 31 December 2025 (2024: nil).

### 26. BANK BORROWINGS AND OVERDRAFTS

	2025 RM'000	2024 RM'000
Secured bank borrowings	3,199	3,169
Bank overdrafts	2,268	1,379
	5,467	4,548
Bank borrowings and overdrafts are scheduled to repay as follows:		
– on demand or within one year	5,258	2,902
– more than one year, but not exceeding two years	152	1,168
– more than two years, but not exceeding five years	57	437
– after five years		41
	5,467	4,548
Less: Amounts due within one year shown under current liabilities	(5,258)	(2,902)
Amounts shown under non-current liabilities	209	1,646

*Notes:*

- (i) Bank borrowings are interest-bearing at the banks' base lending rate adjusted by certain basis points per annum. The variable interest rates of the Group's bank borrowings as at 31 December 2025 ranged from 7.5% to 12.6% (2024: 4.42% to 11.5%) per annum.
- (ii) The bank borrowings and banking facilities as at 31 December 2025 and 2024 were secured by freehold land, building, plant and equipment and motor vehicle with an aggregate carrying amount before impairment of approximately RM3,068,000 (2024: RM3,052,000) as at 31 December 2025 (note 14).
- (iii) As at 31 December 2025, the Group has available unutilised overdrafts and bank loan facilities of Nil (2024: Nil).
- (iv) Bank overdrafts carry interest at market rates of 6.15% (2024: 7.24%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 27. LEASE LIABILITIES

	2025 RM'000	2024 RM'000
Within one year	2,948	1,188
Within a period of more than one year but not more than two years	2,845	423
Within a period of more than two years but not exceeding five years	341	–
	<b>6,134</b>	1,611
Less: Amounts due for settlement within 12 months shown under current liabilities	<b>(2,948)</b>	(1,188)
Amounts due for settlement after 12 months shown under non-current liabilities	<b>3,186</b>	423

The weighted average incremental borrowing rates applied to lease liabilities range from 4.2% to 9.1% (2024: from 6.4% to 9.1%) per annum.

### 28. SHARE CAPITAL

	Number of Shares	Amount HK\$'000	Amount RM'000
<b>Authorised:</b>			
Ordinary shares of HK\$0.1 each as at 1 January 2024, 31 December 2024 and 1 January 2025	1,000,000,000	100,000	53,540
Increase in authorised capital	1,000,000,000	100,000	53,540
<b>As at 31 December 2025</b>	<b>2,000,000,000</b>	<b>200,000</b>	<b>107,080</b>
<b>Issued and fully paid:</b>			
As at 1 January 2024, 31 December 2024 and 1 January 2025	633,600,000	63,360	33,712
Placing of shares	126,720,000	12,672	6,601
Issue of shares	318,000,000	31,800	16,565
<b>As at 31 December 2025</b>	<b>1,078,320,000</b>	<b>107,832</b>	<b>56,878</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 29. RESERVES

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

#### (i) Share premium

The balance represents the excess of consideration received for issue of shares over the corresponding par value of the issued shares. The application of the share premium account is governed by the applicable laws of the Cayman Islands.

#### (ii) Merger reserve

Merger reserve represented the difference between the nominal value of the issued share capital of its subsidiaries acquired by the Company pursuant to certain reorganisation of the Group and the nominal value of the shares issued by the Company in the prior year.

#### (iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the consolidated financial statements of foreign operations.

#### (iv) Other reserve

Other reserve represents the difference between the nominal value of the Company's shares issued for reorganisation and the net assets value of Worldgate International Investment Limited at the date of acquisition.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 30. SHARE OPTION SCHEME

Pursuant to written resolutions passed by the shareholders of the Company on 17 June 2016, the shareholders of the Company approved the adoption of a share option scheme (the "Share Option Scheme"). The Share Option Scheme enables the Company to grant options to eligible persons as incentives or rewards for their contributions to the Group.

The maximum number of shares that may be granted under the Share Option Scheme and other share option schemes shall not exceed 10% of the number of issued shares of the Company from time to time. No option may be granted to any person such that the total number of shares of the Company issued and to be issued upon exercise of all options granted and to be granted to each participant in any 12-month period up to the date of the latest grant exceeds 1% of the number of shares of the Company in issue.

The Share Option Scheme will be valid and effective for a period of 10 years commencing from 17 June 2016, after which period no further options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and the options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

The purpose of the Share Option Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

The eligible persons of the Share Option Scheme to whom options may be granted by the directors shall include (i) any directors and any employee; (ii) any consultants or advisers; and (iii) any other person, who at the sole discretion of the board of directors, has contributed to the Group.

An offer shall remain open for acceptance by the eligible person concerned for such period as determined by the Board, being a date not later than ten business days after the offer date by which the eligible person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with its provision. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

The board of directors may, at its absolute discretion, invite any eligible persons to take up options at a price determined by the board of directors which shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date; (ii) the average of the closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the offer date; or (iii) nominal value of a share. Upon acceptance of the offer of an option, the grantee shall pay a nominal amount to be determined by the board of directors.

No option has been granted under the Share Option Scheme since its adoption.

### 31. CONTINGENT LIABILITIES

As at 31 December 2025, bank guarantees of RM385,000 (2024: RM383,000) of the Group were issued to suppliers for operational requirements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 32. CAPITAL RISK MANAGEMENT

The Group's objectives of managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The Group monitors capital using gearing ratio, which is total debt to equity. Total debts include bank borrowings and overdrafts, and lease liabilities. Equity represents total equity of the Group.

The directors actively and regularly review and manage the Group's capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholders' returns. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and raise new debts or sells assets to reduce debts.

The gearing ratio as the end of reporting period was as follows:

	2025 RM'000	2024 RM'000
Bank borrowings and overdrafts	5,467	4,548
Lease liabilities	6,134	1,611
<b>Total debts</b>	<b>11,601</b>	6,159
<b>Total equity</b>	<b>60,061</b>	24,241
<b>Gearing ratio</b>	<b>19.3%</b>	25.4%

The Group targets to maintain a gearing ratio to be in line with the expected changes in economic and financial conditions. The Group's overall strategy on capital management remains unchanged throughout the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

	2025 RM'000	2024 RM'000
<b>Financial assets at amortised cost:</b>		
Trade and other receivables	37,491	19,773
Cash and bank balances	5,996	7,433
	<b>43,487</b>	<b>27,206</b>
<b>Financial assets at FVTPL</b>	<b>3,445</b>	<b>9,995</b>
	<b>46,932</b>	<b>37,201</b>
<b>Financial liabilities at amortised cost:</b>		
Lease liabilities	6,134	1,611
Trade and other payables	16,779	14,858
Bank borrowings and overdrafts	5,467	4,548
	<b>28,380</b>	<b>21,017</b>

The directors consider the carrying amounts of the Group's financial instruments carried at amortised costs are not materially different from their fair values as at 31 December 2025 and 2024.

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include equity instruments at trade and other receivables, cash and bank balances, financial assets at FVTPL, trade and other payables and bank borrowings and overdrafts. Details of the financial instruments for the Group are disclosed in respective notes to the consolidated financial statements.

The risks associated with these financial instruments include credit risk, liquidity risk and market risk (foreign currency risk and interest rate risk). The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2025

**33. FINANCIAL INSTRUMENTS (Continued)****(b) Financial risk management objectives and policies (Continued)****Market risk****(i) Interest rate risk**

The Group's exposure to fair value interest rate risk relates principally to its bank deposits and bank borrowings and overdrafts. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. The Group has not entered into any financial derivative instruments to hedge its exposure to interest rate risk. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no unduly exposures to significant interest rate movements.

The following table details the interest rate profile of the Group's interest-bearing financial instruments:

	2025		2024	
	Weighted average effective interest rate	RM'000	Weighted average effective interest rate	RM'000
Floating rate borrowings	8.97%	5,467	8.17%	2,342

**Sensitivity analysis**

At the end of the reporting period, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Group's loss before taxation by approximately RM55,000 (2024: RM23,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each of the relevant periods and had been applied to the exposure to interest rate risk for the interest-bearing borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the next twelve months period.

The interest rate risk policies remain unchanged from prior years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Market risk (Continued)*

##### (ii) Currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	2025		2024	
	US\$ RM'000	EUR RM'000	US\$ RM'000	EUR RM'000
Assets:				
Trade receivables	12,807	2,089	3,591	2,105
Other receivables	–	49	–	8
Cash and bank balances	1,838	–	1,187	–
	14,645	2,138	4,778	2,113
Liabilities:				
Trade payables	(4,771)	–	(3,485)	–
Borrowings	(2,828)	–	(2,205)	–
	(7,599)	–	(5,609)	–

##### *Sensitivity analysis*

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RM against the US\$ and Euro. A positive number below indicates an increase in post-tax profit where RM strengthens 5% (2024: 5%) against the US\$ and Euro. For a 5% (2024: 5%) weakening of RM against the US\$ and Euro, there would be an equal and opposite impact on the profit and other comprehensive income and the amounts below would be negative.

	2025		2024	
	US\$ RM'000	EUR RM'000	US\$ RM'000	EUR RM'000
Profit or loss	352	107	(46)	106

The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they related. The currencies giving rise to foreign currency risk are primarily US\$ and Euro. The management monitors foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group's operating result.

As at 31 December 2025 and 2024, the Group had no foreign currency forward contracts to mitigate the risk on foreign currency fluctuation against RM.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Liquidity risk*

The Group is exposed to liquidity risk in respect of settlement of trade payables and its financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following table details the Group's remaining contractual maturities for its financial liabilities as at the reporting date. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. The maturity dates for other financial liabilities are based on agreed repayment dates.

As at 31 December 2025

	On demand or within 1 year RM'000	More than 1 year but less than 5 years RM'000	More than 5 years RM'000	Total undiscounted cash flows RM'000	Carrying amount RM'000
Trade and other payables	16,779	–	–	16,779	16,779
Bank borrowings and overdrafts	5,283	164	60	5,507	5,467
Lease liabilities	3,209	3,085	368	6,662	6,134
<b>Total</b>	<b>25,271</b>	<b>3,249</b>	<b>428</b>	<b>28,948</b>	<b>28,380</b>

As at 31 December 2024

	On demand or within 1 year RM'000	More than 1 year but less than 5 years RM'000	More than 5 years RM'000	Total undiscounted cash flows RM'000	Carrying amount RM'000
Trade and other payables	14,858	–	–	14,858	14,858
Bank borrowings and overdrafts	2,921	1,646	39	4,606	4,548
Lease liabilities	1,257	447	–	1,704	1,611
<b>Total</b>	<b>19,036</b>	<b>2,093</b>	<b>39</b>	<b>21,168</b>	<b>21,017</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment*

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk is primarily attributable to trade and other receivables, and bank balances. The Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### **Trade receivables**

The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on debtors by using a provision matrix, grouped based on shared credit risk characteristics by reference to past default experience and current past due exposure of the debtors.

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Ongoing credit evaluation is performed on the financial condition of trade customers. Trade receivables are due within 30 to 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

Based on individual assessment for major customers and portfolio assessment for other customers by the management of the Group, the management has closely monitored the credit qualities and the collectability of the trade receivables and considered that the expected credit risks of them are close to zero.

As part of the Group's credit risk management, for debtors that are assessed collectively, the Group uses debtors' past due status to assess the impairment for its customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The following table provides information about the Group's exposure to credit risk for trade receivables which are assessed collectively based on provision matrix:

	Average loss rate		Gross carrying amounts		Loss allowance	
	2025	2024	2025	2024	2025	2024
			RM'000	RM'000	RM'000	RM'000
Current (not past due)	0.76%	0.49%	17,202	9,470	131	46
1-30 days past due	4.46%	0.16%	3,302	3,653	147	11
31-90 days past due	9.74%	0.64%	1,788	2,349	174	15
Over 90 days past due	88.34%	95.62%	9,364	6,858	8,272	6,559
			31,656	22,330	8,724	6,631

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

##### **Trade receivables (Continued)**

The expected loss rate are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The following table shows the movement of lifetime ECL for trade receivables under the simplified approach:

	Lifetime ECL (not credit- impaired) RM'000
As at 1 January 2024	6,798
Provision of impairment loss recognised	83
Written off	(107)
Exchange adjustments	(143)
As at 31 December 2024 and 1 January 2025	6,631
Acquisition of subsidiaries	260
Provision of impairment loss recognised	2,594
Exchange adjustments	(761)
<b>As at 31 December 2025</b>	<b>8,724</b>

##### **Concentration of credit risk**

The Group has concentration of credit risk as 9% (2024: 21%) and 33% (2024: 40%) of the total trade receivables which were due from the Group's largest customer and the five largest customers respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (b) Financial risk management objectives and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

##### **Other receivables and deposits**

The Group uses past due information to assess whether credit risk has increased significantly since initial recognition. Based on the historical default rate, repayment history and forecast of future condition on economy and debtors other receivables of RMB4,891,000 were classified as stage 2 risk rating and the remaining balance of RMB10,303,000 were classified as stage 1 risk rating. Based on the risk rating of other receivables, the directors considered the ECL for other receivables and deposit is insignificant for the years ended 31 December 2025 and 2024.

The following table shows reconciliation of loss allowances that has been recognised for other receivables:

	ECL Stage 1 12 months ECL (performing) RM'000	Stage 2 Lifetime ECL (non-credit impaired) RM'000	Total RM'000
At 1 January 2024	–	528	528
Exchange adjustments	–	(16)	(16)
As at 31 December 2024 and 1 January 2025	–	512	512
Provision for impairment	264	–	264
Exchange adjustments	(14)	(127)	(141)
<b>As at 31 December 2025</b>	<b>250</b>	<b>385</b>	<b>635</b>

##### **Cash and cash equivalent**

The Group deposited bank balances with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to bank balances held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk as at 31 December 2025 and 2024 were minimal.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value measurements of financial instruments

The Group's financial instruments are measured at fair value for financial reporting purposes.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

#### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

##### Fair value hierarchy as at 31 December 2025

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Financial assets at FVTPL</b>				
Listed equity investment	132	–	–	132
Unlisted equity investment	–	–	3,313	3,313

##### Fair value hierarchy as at 31 December 2024

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Financial assets at FVTPL</b>				
Listed equity investment	433	–	–	433
Unlisted equity investment	–	–	9,562	9,562

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 33. FINANCIAL INSTRUMENTS (Continued)

#### (c) Fair value measurements of financial instruments (Continued)

##### (i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input
	2025 RM'000	2024 RM'000			
Listed equity investment	132	433	Level 1	Quoted bid prices in an active market	N/A
Unlisted equity investment	3,313	9,562	Level 3	Market approach – based on trading multiples, which are prices-to-sales ratio, derived from public traded companies that are similar to the subject company	Recent prices-to-sales ratio of the comparable public companies  Discount for lack of marketability, determined by a number of research studies including restricted stock studies by an independent valuer, of 20.40% (2024: 20.50%).

##### (ii) Reconciliation of Level 3 fair value measurements

	RM'000
As at 1 January 2024	2,171
Reclassified from investment in an associate to financial asset at FVTPL	9,199
Total losses:	
– in profit or loss	(1,630)
Exchange alignment	(178)
As at 31 December 2024 and 1 January 2025	9,562
Total losses:	
– in profit or loss	(5,624)
Exchange alignment	(625)
<b>As at 31 December 2025</b>	<b>3,313</b>

There were no transfers between Level 1, Level 2 and Level 3 during the years ended 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings (note 26) RM'000	Lease liabilities (note 27) RM'000	Total RM'000
<b>As at 1 January 2024</b>	3,632	2,436	6,068
Raise of new loans	6,981	–	6,981
Repayment of bank borrowings	(7,228)	–	(7,228)
Interest paid on bank borrowings	(270)	–	(270)
Repayment of lease liabilities	–	(1,370)	(1,370)
Interest paid on lease liabilities	–	(169)	(169)
Total changes from financing cash flows	3,115	897	4,012
Effect of changes in foreign exchange rates	(216)	(1)	(217)
<b>Other changes:</b>			
Addition to lease liabilities	–	546	546
Interest on bank borrowings	270	–	270
Interest on lease liabilities	–	169	169
Total other changes	270	715	985
<b>As at 31 December 2024 and 1 January 2025</b>	3,169	1,611	4,780
Raise of new loans	6,688	–	6,688
Repayment of bank borrowings	(6,208)	–	(6,208)
Interest paid on bank borrowings	(275)	–	(275)
Repayment of lease liabilities	–	(2,037)	(2,037)
Interest paid on lease liabilities	–	(272)	(272)
Total changes from financing cash flows	205	(2,309)	(2,104)
Effect of changes in foreign exchange rates	(450)	(219)	(669)
<b>Other changes:</b>			
Addition to lease liabilities	–	6,779	6,779
Interest on bank borrowings	275	–	275
Interest on lease liabilities	–	272	272
Total other changes	275	7,051	7,326
<b>As at 31 December 2025</b>	3,199	6,134	9,333

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 35. ACQUISITION OF SUBSIDIARIES

#### Acquisition of V Sing Global Limited and its subsidiaries (“V Sing Global Group”)

On 21 March 2025, the Company entered into a sale and purchase agreement with V Sing Holdings Limited and Silver Hero Ventures Limited (collectively, the “Vendors”) to acquire the entire issued share capital of V Sing Global Limited. The contractual consideration was initially agreed at HK\$50,000,000, to be satisfied by the allotment and issue of 318,000,000 new shares. The acquisition was completed on 25 July 2025, at which date control of the V Sing Global Group was transferred to the Company.

In accordance with HKFRS 3 Business Combinations, the consideration transferred is measured at its fair value at the acquisition date. Based on the closing market price of the Company’s shares of HK\$0.62 on 25 July 2025, the fair value of the 318,000,000 consideration shares issued amounted to HK\$197,160,000 i.e. approximately RM102,704,000. After deducting the fair value of the contingent profit guarantee liability of approximately RM150,000 (measured using the Black-Scholes-Merton option pricing model), the implied enterprise value recognised for purchase price allocation purposes was approximately RM102,554,000. With effect from 25 July 2025, the Target Group became a wholly-owned subsidiary of the Company and its financial results have been consolidated into the Group’s consolidated financial statements from that date.

The principal businesses of V Sing Global Group are the operation and management of an AI-driven social entertainment and music platform, the development and integration of smart venue hardware and proprietary software solutions, franchise and international distribution arrangements for interactive entertainment venues, and digital content monetization through mobile applications, livestreaming, virtual gifting, and subscription-based services.

The directors are of the opinion that the acquisition, which constituted a major transaction of the Company, will successfully integrate the Target Group into the Group’s operations and ultimately benefit the Company and its shareholders.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2025

**35. ACQUISITION OF SUBSIDIARIES (Continued)****Acquisition of V Sing Global Limited and its subsidiaries (“V Sing Global Group”) (Continued)**

The identifiable assets acquired and liabilities assumed of the V Sing Global Group at the date of acquisition were as follows.

	25 July 2025 RM'000
Property, plant and equipment	563
Intangible assets	10,357
Inventories	29
Trade and other receivables	14,900
Cash and cash equivalents	4,024
Trade and other payables	(3,553)
Contract liabilities	(1,074)
Tax payables	(1,120)
Deferred tax liabilities	(1,662)
<b>Total identifiable net assets acquired</b>	<b>22,464</b>
<b>Goodwill</b>	<b>80,090</b>
<b>Total purchase consideration</b>	<b>102,554</b>
Total purchase consideration	
– Settled by equity	102,704
Less: profit guarantee	(150)
	102,554
Cash and cash equivalents in subsidiaries acquired	4,024
Cash inflow on acquisition of subsidiaries	4,024

If the above acquisition had been completed on 1 January, 2025, total Group's revenue for the year ended 31 December, 2025 would have been approximately RM127,834,000, and loss for the year ended 31 December, 2025 would have been approximately RM69,220,000. The pro forma information is for illustration purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January, 2025, nor is it intended to be a projection of future results.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 36. RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties:

#### Compensation of key management personnel

Compensation of key management personnel of the Group, including directors' remuneration as disclosed in note 11(a), is as follows:

	2025 RM'000	2024 RM'000
Directors' fees	847	888
Discretionary bonus	–	–
Wages and salaries	1,190	1,061
Contributions to defined contribution plans	99	92
	<b>2,136</b>	<b>2,042</b>

### 37. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation/registration	Place of operation	Issued paid up/registered capital	Proportion of ownership interest and voting power held by the Company				Principal activities
				Directly		Indirectly		
				2025 %	2024 %	2025 %	2024 %	
Worldgate International Investment Limited	British Virgin Islands ("BVI")	Hong Kong	US\$100	100	100	–	–	Investment holding
Pacific Express Limited	BVI	Hong Kong	US\$1,000	100	100	–	–	Investment holding
Worldgate Express Services Sdn. Bhd.	Malaysia	Malaysia	RM5,000,000	–	–	100	100	Freight forwarder and warehouse management service
My Forwarder International Sdn. Bhd.	Malaysia	Malaysia	RM1,000,000	–	–	100	100	Freight forwarder
Freight Transport Network Sdn. Bhd.	Malaysia	Malaysia	RM1,000,000	–	–	100	100	Freight forwarder
Worldgate Haulage Services Sdn. Bhd.	Malaysia	Malaysia	RM5,000,000	–	–	100	100	Provision of trucking and haulage services
Dominant Apex Limited	Hong Kong	Hong Kong	HK\$1	–	–	100	100	Trading of used mobile phones and provision of logistic service
China Elegant Limited	Hong Kong	Hong Kong	HK\$12,181,864	–	–	51	51	Investment holding
Viet Nam Initiation Limited	Vietnam	Vietnam	VND 29,427,184,474	–	–	51	51	Manufacturing and sale of plastic products
V Sing Global Limited	BVI	Hong Kong	US\$10,000	100	N/A	–	N/A	Investment holding
V Sing International Limited	BVI	Hong Kong	US\$10,000	–	N/A	100	N/A	Platform and digital services
V Sing Hong Kong Limited	Hong Kong	Hong Kong	HK\$10,000	–	N/A	100	N/A	Platform and digital services

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

All these companies were incorporated with limited liability.

None of the subsidiaries had debt securities during the year or outstanding at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation	Place of operation	Proportion of ownership interest and voting rights held by non-controlling interest		Profit/(loss) allocated to non-controlling interest		Accumulated non-controlling interest	
			2025	2024	2025	2024	2025	2024
			%	%	RM'000	RM'000	RM'000	RM'000
China Elegant Group	Hong Kong/ Vietnam	Hong Kong/ Vietnam	49	49	380	(1,296)	404	845

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 December 2025

**37. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)****China Elegant Limited and its subsidiary**

	2025 RM'000	2024 RM'000
Current assets	12,364	8,375
Non-current assets	4,458	3,841
Current liabilities	(17,238)	(12,734)
Non-current liabilities	(411)	(1,243)
Carrying amount of NCI	(827)	(1,761)
	Year ended 31 December 2025 RM'000	Year ended 31 December 2024 RM'000
Revenue	30,087	18,975
Other income	38	80
Expenses	(29,349)	(21,243)
Profit/(Loss) for the year	776	(2,188)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 RM'000	2024 RM'000
<b>Non-current assets</b>		
Investment in subsidiaries	40,619	–
<b>Current assets</b>		
Prepayments, deposits and other receivables	4,592	3,540
Amounts due from subsidiaries	13,305	17,774
Cash and bank balances	673	1,447
	<b>18,570</b>	<b>22,761</b>
<b>Current liabilities</b>		
Accruals and other payables	791	761
Amount due to a subsidiary	259	296
	<b>1,050</b>	<b>1,057</b>
<b>Net current assets</b>	<b>17,520</b>	<b>21,704</b>
<b>Net assets</b>	<b>58,139</b>	<b>21,704</b>
<b>Capital and reserves</b>		
Share capital	56,878	33,712
Reserves ( <i>note (a)</i> )	1,261	(12,008)
<b>Total equity</b>	<b>58,139</b>	<b>21,704</b>

The statement of financial position of the Company was approved and authorised for issue by the board of directors on 13 April 2026.

**Ngu Sing King**  
Director

**Lai Kwok Hei**  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note (a): Reserves:

	Share premium <i>(note 28(i))</i> RM'000	Exchange reserve <i>(note 28(iii))</i> RM'000	Other reserve <i>(note 28(iv))</i> RM'000	Accumulated losses RM'000	Total RM'000
As at 1 January 2024	37,382	11,909	32,384	(85,113)	(3,438)
Loss for the year	-	-	-	(8,083)	(8,083)
Other comprehensive loss	-	(487)	-	-	(487)
Total comprehensive expense for the year	-	(487)	-	(8,083)	(8,570)
As at 31 December 2024 and 1 January 2025	37,382	11,422	32,384	(93,196)	(12,008)
Loss for the year	-	-	-	(74,621)	(74,621)
Other comprehensive expense	-	(3,365)	-	-	(3,365)
Total comprehensive income/(expense) for the year	-	(3,365)	-	(74,621)	(77,986)
Issue of shares	86,139	5,116	-	-	91,255
<b>As at 31 December 2025</b>	<b>123,521</b>	<b>13,173</b>	<b>32,384</b>	<b>(167,817)</b>	<b>1,261</b>

#### Distributable reserves

As at 31 December 2025 and 31 December 2024, the Company's reserves available for distribution to shareholders amounted to Nil. This includes the Company's share premium approximately RM123,521,000 (2024: RM37,382,000) and other reserve of approximately RM32,384,000 (2024: RM32,384,000), less accumulated losses of approximately RM167,817,000 (2024: RM93,196,000) which are available for distribution.

### 39. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 31 December 2025, the Group entered into new lease agreements for the use of premises. Right-of-use assets and lease liabilities of approximately RM6,779,000 (2024: RM546,000) were recognised on the commencement of the leases.
- (ii) During the year ended 31 December 2024, the Group obtained 16.5% equity interests of GLAM Capital Group from Active Ideal. The consideration was settled by 33% equity interests of Active Ideal held by the Group.

The carrying amount of the 33% equity interest of Active Ideal was RM6,112,000 while the fair value of 16.5% equity interest of GLAM Capital Group was approximately RM9,199,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

### 40. SUBSEQUENT EVENT

#### *Lapse of Placing of New Shares Under General Mandate*

On 1 December 2025, the Company and Grand Moore Capital Limited (the “Placing Agent”) entered into a placing agreement (the “Placing Agreement”) pursuant to which the Company appointed the Placing Agent to place, on a best-effort basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 150,000,000 Placing Shares to not less than six independent Placees at a price of HK\$0.4 per Placing Share.

On 19 December 2025, the Company and the Placing Agent entered into a supplemental agreement (the “Supplemental Agreement”) to extend the Long Stop Date from 22 December 2025 to 12 January 2026.

On 12 January 2026, the Board announced that as the condition of the Placing Agreement (as supplemented by the Supplemental Agreement) had not been fulfilled on or before the Long Stop Date (i.e. 12 January 2026), the Placing Agreement (as supplemented by the Supplemental Agreement) lapsed on 12 January 2026.

For details, please refer to the announcements of the Company dated 1 December 2025, 15 December 2025, 19 December 2025, 22 December 2025 and 12 January 2026 (collectively, the “Announcements”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

Save as disclosed above, the Board is not aware of any significant event requiring disclosure that has been taken place subsequent to 31 December 2025 and up to the date of this report.

## FINANCIAL SUMMARY

A summary of the results, and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements of the Group is set out below.

### RESULTS

	For the year ended 31 December				
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Revenue	88,927	134,595	116,351	85,473	123,228
Cost of sales	(78,545)	(121,332)	(108,738)	(77,785)	(106,506)
Gross profit	10,382	13,263	7,613	7,688	16,722
Other income and net gains	1,642	1,553	4,502	4,001	(58,084)
Administrative and other expenses	(22,512)	(26,838)	(32,527)	(18,122)	(32,151)
Share of results of an associate	(366)	(702)	165	(520)	–
Finance costs	(904)	(761)	(508)	(494)	(684)
Loss before taxation	(11,758)	(13,485)	(20,755)	(7,447)	(74,197)
Income tax (expense)/credit	(108)	396	(10)	(29)	112
Loss for the year	(11,866)	(13,089)	(20,765)	(7,476)	(74,085)
Attributable to:					
Owners of the Company	(11,618)	(12,551)	(20,402)	(6,180)	(74,465)

### ASSETS AND LIABILITIES

	As at 31 December				
	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	2025 RM'000
Total assets	97,997	82,276	58,475	47,329	94,620
Total liabilities	(31,144)	(28,588)	(22,006)	(23,088)	(34,559)
Total equity	66,853	53,688	36,469	24,241	60,061