# VOLTAGE X LIMITED

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS
## FOR THE YEAR ENDEDS 30 JUNE, 2025 AND 2024

德安會計師行有限公司
T. O. YIP & CO. LTD.
Certified Public Accountants

# VOLTAGE X LIMITED
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## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF VOLTAGE X LIMITED**
(Incorporated in the Cayman Islands with limited liability)

### Opinion

We have audited the financial statements of Voltage X Limited and its subsidiaries (the "Group") set out on pages 5 to 52 which comprise the consolidated statement of financial position as of 30 June 2024 and 2025, the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the years ended 30 June 2024 and 2025, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 30 June 2024 and 2025, and of its consolidated financial performance and its consolidated cash flows for the years ended 30 June 2024 and 2025 in accordance with International Financial Reporting Standards ("IFRSs") issued by the IFRS Accounting Standards ("IFRS Accounting Standards"), issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the 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"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Consolidated Financial statements and Auditor's Report Thereon

The directors are responsible for the other information.

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.

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF VOLTAGE X LIMITED**
(Incorporated in the Cayman Islands with limited liability)

**Responsibilities of the Directors 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 IFRS Accounting Standards issued by the IASB 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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.

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**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF VOLTAGE X LIMITED**
(Incorporated in the Cayman Islands with limited liability)

**Auditor's Responsibilities for the Audit of the Consolidated Financial statements (Cont'd)**

-- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

-- 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 the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

T.O. Yip & Co. Limited
Certified Public Accountants (Practising)
Hong Kong

Samuel Ming-Sum Yip
Practising Certificate Number : P05704

16 March, 2026

## VOLTAGE X LIMITED
## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Year ended 30 June 2025 | 2024 |
|---|---|---|---|
| | | US$ | US$ |
| **Revenue** | 4, 5 | | |
| – Independent Third Parties | | 2,367,579 | 2,064,275 |
| – Related Parties | | 2,886,573 | 2,530,857 |
| | | 5,254,152 | 4,595,132 |
| **Cost of sales** | | | |
| – Independent Third Parties | | (1,961,236) | (1,892,356) |
| – Related Parties | | (1,655,566) | (1,070,566) |
| | | (3,616,802) | (2,962,922) |
| **Gross profit** | | 1,637,350 | 1,632,210 |
| Other (expense)/revenue, net | 6 | | |
| – Independent Third Parties | | (619) | 1,096 |
| – Related Parties | | — | — |
| | | (619) | 1,096 |
| Administrative expenses | | | |
| – Independent Third Parties | | (1,017,342) | (322,265) |
| – Related Parties | | (102,835) | (139,748) |
| | | (1,120,177) | (462,013) |
| Finance costs | 7 | (9,306) | (4,498) |
| **Profit before taxation** | | 507,248 | 1,166,795 |
| Income tax | 9(a) | (196,298) | (200,688) |
| **Profit for the year** | 8 | 310,950 | 966,107 |
| **Other comprehensive loss for the year:** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange difference on translation of financial statements of overseas subsidiaries | | 711 | (554) |
| **Profit and total comprehensive income attributable to the owners of the Company for the year** | | 311,661 | 965,553 |
| Earnings per share: | | | |
| Basic | 11 | 0.018 | 0.06 |
| Diluted | 11 | 0.018 | 0.06 |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

## VOLTAGE X LIMITED
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | At 30 June 2025 | At 30 June 2024 |
|---|---|---|---|
| | | US$ | US$ |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 14 | 64,381 | 13,435 |
| Right-of-use assets | 15 | 383,775 | 196,434 |
| | | 448,156 | 209,869 |
| **CURRENT ASSETS** | | | |
| Trade receivables | 17 | | |
| – Independent Third Parties | | 2,600,620 | 1,063,391 |
| – Related Parties | | 2,380,211 | 3,868,122 |
| Deposits and prepayment | | 542,217 | 3,317 |
| Cash and cash equivalents | 18(a) | 36,002 | 132,322 |
| | | 5,559,050 | 5,067,152 |
| **CURRENT LIABILITIES** | | | |
| Trade payables | 19 | | |
| – Independent Third Parties | | 346,127 | 893,140 |
| – Related Parties | | 936,673 | 1,519,682 |
| Accruals and other payables | | | |
| – Independent Third Parties | | 17,761 | 59,984 |
| – Related Parties | | 97,057 | 6,826 |
| Contract liabilities | 4 | 10,679 | 38,412 |
| Amounts due to a director | 20 | 162,902 | 133,732 |
| Amounts due to related companies | 21 | 60,628 | 52,949 |
| Loan from related companies | 22 | 727,570 | 193,871 |
| Loan from a director | 23 | 124,101 | — |
| Convertible note | 24 | 409,959 | — |
| Lease liabilities | 25 | 142,031 | 46,563 |
| Tax payable | 9(c) | 597,224 | 400,926 |
| | | 3,632,712 | 3,346,085 |
| **NET CURRENT ASSETS** | | 1,926,338 | 1,721,067 |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities | 25 | (212,625) | (80,729) |
| | | (212,625) | (80,729) |
| **NET ASSETS** | | 2,161,869 | 1,850,207 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | 26 | 117 | 116 |
| Reserves | 30 | 12,765 | 12,054 |
| Retained profits | | 2,148,987 | 1,838,037 |
| **TOTAL EQUITY** | | 2,161,869 | 1,850,207 |

Approved and authorised for issue by the Board of Directors on 12th February, 2026

Director

Director

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

## VOLTAGE X LIMITED
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Exchange reserve | Merger reserves | (Accumulated losses)/ Retained profits | Total |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| **Balance at 1 July 2023** | 12,765 | (157) | — | 871,930 | 884,538 |
| Issue of shares | 116 | — | — | — | 116 |
| Group re-organization | (12,765) | — | 12,765 | — | — |
| Profit for the year | — | — | — | 966,107 | 966,107 |
| Other comprehensive expense | — | (554) | — | — | (554) |
| Total comprehensive (expense)/income for the year | — | (554) | — | 966,107 | 965,553 |
| **Balance at 30 June 2024** | 116 | (711) | 12,765 | 1,838,037 | 1,850,207 |
| Issue of shares | 1 | — | — | — | 1 |
| Profit for the year | — | — | — | 310,950 | 310,950 |
| Other comprehensive expense | — | 711 | — | — | 711 |
| Total comprehensive income for the year | — | 711 | — | 310,950 | 311,661 |
| **Balance at 30 June 2025** | 117 | — | 12,765 | 2,148,987 | 2,161,869 |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

## VOLTAGE X LIMITED
## CONSOLIDATED STATEMENT OF CASH FLOWS

| | Notes | Year ended 30 June 2025 | 2024 |
|---|---|---|---|
| | | US$ | US$ |
| **OPERATING ACTIVITIES** | | | |
| Cash (used in)/generated from operations | 18(b) | (621,99) | 132,832 |
| Tax paid: | | | |
| Tax paid/refunded | | — | — |
| **Net cash (used in)/generated from operating activities** | | (621,994) | 132,832 |
| **INVESTING ACTIVITIES** | | | |
| Purchases of property, plant and equipment | 14 | (59,769) | (2,627) |
| Interest received | | 300 | 529 |
| **Net cash used in investing activities** | | (59,469) | (2,098) |
| **FINANCING ACTIVITIES** | | | |
| Increase/ (decrease) in loan from related companies | | 533,699 | (35,819) |
| Increase in loan from a director | | 124,101 | — |
| Issue of share capital | | 1 | 116 |
| Proceeds from issuance of a convertible note | | 100 | — |
| Repayment of lease liabilities | 18(c) | (64,142) | (45,044) |
| Interest paid for lease liabilities | 7 | (9,306) | (4,498) |
| **Net cash generated from/ (used in) financing activities** | | 584,453 | (85,245) |
| **NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS** | | (97,010) | 45,489 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | | 132,322 | 87,445 |
| Effect of foreign exchange rates changes | | 690 | (612) |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | 18(a) | 36,002 | 132,322 |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

# VOLTAGE X LIMITED
# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Act (as revised) of the Cayman Islands as an exempted company with limited liability on 29 May 2024. Details of its subsidiaries are set out in note 13 to the consolidated financial statements. The address of the registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiary, Voltage X Holdings Limited are investment holding companies. The principal subsidiaries, Voltage X Innovations Limited and Xact Digital Limited are mainly engaged in public relations, digital marketing strategy, social media management, video production, creative design, influencer strategy and event management across multichannels. Voltage X Australia Pty Limited and Voltage X LLC, are newly incorporated during the year ended 30 June 2025 and are not yet commenced business.

In connection with the initial listing of shares of the Company on Nasdaq, the consolidated financial statements are presented in US$, which is also the Company's functional and the Group's presentation currency.

## 2. BASIS OF PREPARATION AND PRESENTATION

### 2.1 Group reorganization ("Reorganization") and basis of preparation of the consolidated financial statements

Pursuant to the Reorganization, the Company became the holding company of the companies now comprising the Group on 28 June 2024. The companies now comprising the Group have been under the common control and beneficially owned by Terence Cheung and Lun Tak Po ("Controlling Shareholders") throughout the reporting period or since their respective dates of incorporation up to 30 June 2025. As such, the Reorganization is effectively interspersing a shell company over the subsidiaries, in which Voltage X Innovations Limited and Xact Digital Limited are only operating entity of the Group, and there was a continuation of risks and benefits to the Controlling Shareholders. Accordingly, the Reorganization has been accounted for as if the Company had always been the holding company of the Group throughout the reporting period.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows including the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure had been in existence throughout the reporting period or since their respective dates of incorporation up to 30 June 2025, whichever is the shorter period. The consolidated statements of financial position of the Group as at 30 June 2024 and 30 June 2025 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence as at those dates.

The consolidated financial statements has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). IFRS Accounting Standards comprise the following authoritative literature:

- International Financial Reporting Standards ("IFRS");
- International Accounting Standards ("IAS");
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

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

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

The material accounting policies applied in the preparation of the consolidated financial statement have been consistently applied to all the years presented, unless otherwise stated.

Other than those material accounting policies information as disclosed elsewhere in this consolidated financial statements, a summary of the other accounting policies information has been set out in Note 2.4 to this consolidated financial statements.

### 2.2 New standards and interpretations adopted

Application of new and revised IFRS Accounting Standards

For the purpose of preparing and presenting the consolidated financial statements for the reporting period, the Group has early adopted all the new and revised IFRSs issued by the IASB that are effective for its accounting period beginning on 1 July 2023, together with the relevant transitional provision, throughout the reporting period.

### 2.3 New standards and interpretations not yet been adopted

The Group has not early applied the following new and amended standards and interpretation that have been issued but are not yet effective:

| | | Effective for accounting periods beginning on or after |
|---|---|---|
| Amendments to IAS 21 | Lack of Exchangeability | 1 January 2025 |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7 | Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to IFRS 9 and IFRS 7 | Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| IFRS 18 | Presentation and in Financial Statements | 1 January 2027 |
| IFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint venture | To be determined |

The Group has already commenced an assessment of the impact of these amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

### 2.4 Material accounting policies information

2.4.1 Principles of consolidation

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment test of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee's net assets including goodwill.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS.

2.4.2 Merger accounting for business combination under common control

This consolidated financial statements includes the financial statements of the entities now comprising the Group for the reporting period. As explained in note 2.1 to the consolidated financial statements, the acquisition of subsidiaries and business under common control has been accounted for using merger accounting.

**VOLTAGE X LIMITED**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

The merger accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows include the results and cash flows of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The consolidated statements of financial position have been prepared to present the assets and liabilities of the combining entities as if the Group structure had been in existence at the end of each reporting period. The net assets of the combining entities are combined using the existing book values from the controlling party's perspective. No amount is recognized in respect of goodwill or gain on bargain purchase at the time of common control combination, to the extent of the continuation of the controlling party's interest.

There was no adjustment made to the net assets nor the net profit or loss of any combining entities in order to achieve consistency of the Group's accounting policies.

2.4.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). In connection with the initial listing of shares of the Company on Nasdaq, the consolidated financial statements are presented in United States Dollar ("US$"), which is also the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss ("FVTPL") are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group's entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement of the Group's entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified to profit or loss, as part of the gain or loss on sale.

2.4.4 Property, plant and equipment

All property, plant and equipment are stated at historical costs less accumulated depreciation and accumulated impairment charges. Historical costs include expenditures that are directly attributable to the acquisition of the items.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

| | |
|---|---|
| Computer equipment | 20% |
| Office equipment | 20% |
| Leasehold improvement | Over the shorter of the lease terms and 20% |

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the periods in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.4.6).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts. These are included in the consolidated statement of comprehensive income.

2.4.5 Intangible assets

Purchased licenses and intellectual property (IP) usage rights for sublicensing are recognized as intangible assets when the Group obtains control over the rights through licensing from third parties.

Such rights are initially measured at cost and subsequently amortized on a straight-line basis over the shorter of their estimated useful lives and the granted licensing period. The Group assesses these intangible assets for impairment whenever indicators of impairment exist. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.4.6).

These rights may be transferable. When a license or IP usage right is transferred to a third party, the Company recognizes a gain or loss on disposal in other income or other expenses, determined as the difference between the proceeds received and the carrying amount of the asset at the date of transfer.

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## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

2.4.6 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 IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at 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 or financial liabilities 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling the financial assets and collecting 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.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

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**2. BASIS OF PREPARATION AND PRESENTATION** (cont.)

- 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.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Credit losses from financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on the financial assets measured at amortized cost (including cash and cash equivalents, trade and other receivables).

Financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets:

  effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate;

- lease receivables: discount rate used in the measurement of the lease receivable;

- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECL, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECL are measured on either of the following bases:

- 12-month ECL: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECL: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECL. ECL on trade receivables with significant balances or credit-impaired are assessed for ECL individually. In addition, the Group use practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

For all other financial instruments (including deposit and cash at banks), the Group recognizes a loss allowance equal to 12-month ECL unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, 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 since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk 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.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

For internal credit risk management, the Group considers an event of default occurs when 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.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

ECL are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. the Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVTOCI (recycling), for which the loss allowance is recognized in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognized in accordance with note 2.4.16 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 the amortized cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

*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. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income, gains and losses, net' line item as part of the net foreign exchange gains and losses;

*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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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.

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

***Financial liabilities and equity***

*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 Company are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

*Financial liabilities at amortised cost*

Financial liabilities including trade payables, accruals and other payables, amount(s) due to a director / related companies, loan(s) from a director / related companies, convertible notes and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

*Convertible notes*

The Group has irrevocably designated its convertible notes which do not contain equity component as financial liabilities measured at fair value through profit or loss. At initial recognition, the convertible notes are measured at fair value. Any directly attributable transaction costs are recognized immediately in profit or loss.

Subsequent to initial recognition, the entire hybrid contract is remeasured at fair value at the end of each reporting period. Changes in the fair value of the convertible notes are recognized in profit or loss, except for the portion of the change attributable to the Group's own credit risk, which is recognized in other comprehensive income.

If the notes are converted, the Class A ordinary shares issued are measured at fair value. The carrying amount of the convertible notes is derecognized, and any difference between the fair value of the shares issued and the carrying amount of the notes is recognized in profit or loss. If the notes are redeemed, any difference between the amount paid and the carrying amount of the instrument is recognized in profit or loss.

*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. These foreign exchange gains and losses are recognised in the 'other income, gains and losses, net' line item in profit or loss.

*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 consideration paid or payable is recognised in profit or loss.

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## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

When the contractual terms of a financial liability are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that property, plant and equipment (other than properties carried at revalued amounts, right-of-use assets and intangible assets) may be impaired or an impairment loss previously recognized no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. cash-generating unit).

- Recognition of impairment losses

An impairment loss is recognized in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

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## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

2.4.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2.4.6.

2.4.8 Trade and other payables

Trade and other payables are initially recognized at fair value. Trade and other payables are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.4.9 Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle that obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.4.10 Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognized in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

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## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognized is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

*(i)* in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or

*(ii)* in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

*(a)* the same taxable entity; or

*(b)* different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

2.4.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, and subsequently measured at amortized cost using the effective interest method.

2.4.12 Borrowing costs

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

2.4.13 Employee benefits

Retirement benefit costs

Payments to defined contribution retirement plans are recognized as an expense in profit or loss when employees have rendered service entitling them to the contributions.

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## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately.

Contributions to defined contribution plans are recognized as an expense in the period in which the related service is performed.

Under the terms of the above-mentioned defined contribution schemes, there are no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) which may be used by the employer to reduce the existing level of contributions.

For defined benefit retirement benefit plans including the LSP under the Hong Kong Employment Ordinance, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group's defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognized when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (for example contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability or asset.
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of IAS 19.93(a) and it is measure on a net basis. 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 contributions from the relevant employees.

Termination benefits

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

Short term and other long-term employee benefits

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

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

Liabilities recognized 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 recognized in profit or loss except to the extent that another IFRS requires or permits their inclusion in the cost of an asset.

2.4.14 Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group as a lessee

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## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, such as term, country, currency and security.

If a readily observable amortizing loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2.4.6).

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.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**2. BASIS OF PREPARATION AND PRESENTATION** (cont.)

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2.4.15 Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services in the ordinary course of the Group's business.

Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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 recognized at a point in time when the customer obtains control of the distinct good or service.

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

A contract liability 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.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognized under that contract includes the interest expense

accreted on the contract liability under the effective interest method. the Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

2.4.16 Related parties

*(a)* A person, or a close member of that person's family, is related to the Group if that person:

*(i)* has control or joint control over the Group;

*(ii)* has significant influence over the Group; or

*(iii)* is a member of the key management personnel of the Group or the Group's parent.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. BASIS OF PREPARATION AND PRESENTATION (cont.)

*(b)* An entity is related to the Group if any of the following conditions applies:

*(i)* The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

*(ii)* One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

*(iii)* Both entities are joint ventures of the same third party.

*(iv)* One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

*(v)* The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

*(vi)* The entity is controlled or jointly controlled by a person identified in *(a)*.

*(vii)* A person identified in *(a)(i)* has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

*(viii)* The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's management makes assumptions, estimates and judgments in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgments are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgments, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Critical judgements in applying accounting policies

The Directors have not come across any significant areas where critical judgements are involved in applying the Group's accounting policy.

Key sources of estimation uncertainty

Certain key assumptions and risk factors in respect of the financial risk management are set out in note 29. Other key sources of estimation uncertainty are as follows:

*(i)* Expected credit losses on trade and other receivables

The provisioning policy for loss allowances of the Group is based on the evaluation by management of the collectability of the trade and other receivable. Trade receivables with significant balances or credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. A considerable amount of judgement is required in assessing the ultimate realization of these receivables, including assessing the current creditworthiness, the past collection history of each customer and forecasts of future economic conditions. If the credit risk of these customers are to significantly increase since initial recognition, lifetime loss allowance will be required.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. ACCOUNTING ESTIMATES AND JUDGEMENTS (cont.)

*(ii)* Fair value measurement of financial instrument

As at 30 June 2025, the Group's convertible note amounting to US$409,959 are measured at fair values with fair value being determined based on significant unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair values of these instruments. See Note [24] for further disclosures.

## 4. REVENUE

Revenue, which is also the Group's turnover, represents invoiced value of services rendered to customers, after allowances for returns and discounts during the reporting period which are as follows:

| | Marketing income | Public Relation service income | Total |
|---|---|---|---|
| | US$ | US$ | US$ |
| Year ended 30 June 2025 | | | |
| Revenue from contracts with customers within the scope of IFRS 15: | | | |
| Services transferred at a point in time | 691,150 | 17,692 | 708,842 |
| Services transferred over time | 4,512,511 | 32,799 | 4,545,310 |
| | 5,203,661 | 50,491 | 5,254,152 |
| Year ended 30 June 2024 | | | |
| Revenue from contracts with customers within the scope of IFRS 15: | | | |
| Services transferred at a point in time | 787,813 | 128,918 | 916,731 |
| Services transferred over time | 3,613,740 | 64,661 | 3,678,401 |
| | 4,401,553 | 193,579 | 4,595,132 |

The performance obligation for the provision of monthly marketing and public relation services are satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing.

The performance obligation for provision of one-off event-based marketing, public relation services and sublicensing are satisfied at a point in time when the services, software or IPs have been rendered or delivered. The payment is generally due within 30 days from the date of services rendered.

The Group has applied the practical expedient in IFRS 15 to its revenue from the provision of monthly marketing and public relation services for not disclosing the remaining performance obligations under the Group's existing contracts as the Group recognises revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to consideration from a customer that corresponds directly with the value to the customer of the entity's performance completed to date. In addition, for all other contracts in which the performance obligations are expected to be recognised as revenue with an original expected duration of one year or less, the transaction price allocated to these unsatisfied contracts is not disclosed as permitted under IFRS 15.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. REVENUE (cont.)

The following table provides information about receivables and contract liabilities from contracts with customers.

| | 30 June 2025 | 30 June 2024 |
|---|---|---|
| | US$ | US$ |
| Receivables | 4,980,831 | 4,931,513 |
| Contract liabilities | 10,679 | 38,412 |

It is the Group's standard practice to require customers to prepay 50% of the contract value as a deposit for longer-term digital marketing projects. Contract liabilities represent the advance consideration received from customers for services that have not yet been rendered. These balances primarily relate to longer-term digital marketing projects, where revenue is recognized at a point in time upon the achievement of specific performance milestones. The key milestones typically relate to project deliverables such as campaign launches or completion of scheduled deliverables and are expected to be met over the next 4 to 6 months from the reporting date.

## 5. SEGMENT INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM"), being the directors of the Company, in order to allocate resources to segments and to assess their performance.

The Group's operating activities are attributable to a single operating segment focusing on the provision of service under public relations, digital marketing strategy, social media management, video production, creative design, influencer strategy and event management across multi-channels. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to IFRSs, that is regularly reviewed by the CODM. The CODM monitors the revenue from the provision of design, supply and installation services and maintenance and repair services with no discrete information available to the CODM. The CODM reviews the profit for the year of the Group as a whole for performance assessment. No analysis of segment assets or liabilities is presented as they are not regularly provided to the CODM.

Since this is the only one operating segment of the Group, no segment information is presented other than entity-wide disclosures.

Geographical information

The Group's revenue from external customers based on the location of operation is derived by country/region of domicile as follows. Non-current assets of the Group based on the location of assets are all located in Hong Kong:

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Australia | 1,691,038 | 1,719,347 |
| United Kingdom | 601,959 | 615,531 |
| Taiwan | 720,000 | 734,324 |
| Hong Kong | 2,241,155 | 1,482,528 |
| Other countries | — | 43,402 |
| | 5,254,152 | 4,595,132 |

There are no countries that make up greater than 10% of total revenue included in "Other countries".

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SEGMENT INFORMATION (cont.)

Information about major customers

Revenue from major customers during the reporting period contributing over 10% of the total revenue of the Group are as follows:

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Customer A | 720,000 | 734,324 |
| Customer B | 600,000 | 615,531 |
| Customer C | 1,080,000 | 1,098,145 |
| Customer D | 611,038 | 621,202 |

## 6. OTHER (EXPENSES) REVENUE, NET

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Bank interest income | 300 | 529 |
| Sundry income | 2,060 | 544 |
| Exchange (loss) gain | (2,979) | 23 |
| | (619) | 1,096 |

## 7. FINANCE COSTS

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Interest expense on lease liabilities | 9,306 | 4,498 |

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8. PROFIT FOR THE YEAR

Profit for the year is arrived at after charging and crediting:

(a) **Staff costs**

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| MPF employers' contribution | 28,978 | 32,776 |
| Directors' remuneration | 76,436 | 75,037 |
| Salaries and allowances included in: | | |
| – Cost of sales | 11,282 | 81,198 |
| – Administrative expenses | 596,880 | 589,074 |
| | 713,576 | 778,085 |

(b) **Other items**

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Auditors' remuneration | 2,692 | 2,618 |
| Depreciation of property, plant and equipment | 8,840 | 3,974 |
| Depreciation of right-of-use assets | 104,254 | 63,548 |
| Fair value change of a convertible note | 409,859 | — |
| Allowance (reversal of allowance) for ECL of trade receivables, net | 2,064 | (13,899) |

## 9. INCOME TAX

(a) Taxation in the consolidated statement of profit or loss represents:

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| **Current tax** | | |
| Provision for the year | 196,298 | 200,688 |

Under the current laws of Cayman Islands, entities incorporated in Cayman Islands are not subject to tax on their income or capital gain.

Corporate tax rate in Seychelles calculated at 15% on the first SCR 1 million, 25% above SCR 1 million. The Group has no chargeable profits under Seychelles Corporate tax.

For Hong Kong Profits Tax has been provided for at the rate of 16.5% on the estimated assessable profits for the reporting period.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**9. INCOME TAX** (cont.)

Company tax rate in Australia calculated at 25% for aggregated turnover threshold of the Group is less than 25 million Australian Dollars or tax rate for all other companies at 30%. The Group has no chargeable profits under Australia Company tax.

United States Federal Corporate Income Tax has been provided for at the rate of 21% on the estimated assessable profits for the reporting period. Delaware Corporate Income Tax is calculated at the rate of 8.7% on the portion of the net income derived from or reasonably attributable to sources within the State of Delaware. Additionally, the Group is subject to the Delaware Annual Franchise Tax, which is based on either the authorized shares method or the assumed par value capital method. For the reporting period, the Group has no chargeable profits under Delaware Corporate Income tax.

(b) Reconciliation between tax expense and accounting profits at applicable tax rate:

| | Year ended 30 June | |
|---|---|---|
| | **2025** | **2024** |
| | **US$** | **US$** |
| Profit before taxation | 507,248 | 1,166,795 |
| Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned | 160,032 | 192,521 |
| Tax effect of non-deductible expenses | 20,266 | 10,946 |
| Tax effect of non-taxable income | (49) | (87) |
| Tax effect of tax loss not recognized | 11,062 | 4,870 |
| Tax effect of temporary difference not recognized | 4,987 | (7,562) |
| Actual tax expense | 196,298 | 200,688 |

(c) Current taxation in the consolidated statement of financial position represent:

| | At 30 June | |
|---|---|---|
| | **2025** | **2024** |
| | **US$** | **US$** |
| Balance of Profits Tax provision relating to prior years | 400,926 | 200,238 |
| Provision for the year | 196,298 | 200,688 |
| Tax payable | 597,224 | 400,926 |

(d) In accordance with the accounting policy set out in note 2.4.10, the Group has not recognized deferred tax assets as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation. The potential deferred tax not recognized in the financial statements comprises:

| | At 30 June | |
|---|---|---|
| | **2025** | **2024** |
| | **US$** | **US$** |
| Deductible temporary differences | (40,087) | (192,067) |
| Future benefit of tax losses | 360,119 | 245,672 |
| | 320,032 | 53,605 |

## 10. DIVIDEND

No dividends has been declared or paid by the Companies now comprising the Group during the reporting period.

## 11. EARNINGS PER SHARE

(a) Reconciliations of profit used in calculating profit per share

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Profit per share: | | |
| Basic | 0.018 | 0.06 |
| Diluted | 0.018 | 0.06 |
| Profit attributable to the ordinary equity holders of the Group in calculating profit per share | 310,950 | 966,107 |

(b) Weighted average number of shares used as the denominator

| | 2025 Number | 2024 Number |
|---|---|---|
| Weighted average number of ordinary shares (basic) | 17,158,382 | 16,100,000 |
| Add: dilutive convertible notes | 179,349 | — |
| Weighted average number of ordinary shares (diluted) | 17,337,731 | 16,100,000 |

The calculation of basic earnings per share for the reporting period is based on the consolidated profit of the Group for each year/period attributable to equity holders of the Company for the reporting period and based on the assumption that 17,158,382 (2024: 16,100,000) ordinary shares of the Company are in issue and issuable, comprising 17,058,382 (2024: 16,000,000) Class A ordinary shares and 100,000 (2024: 100,000) Class B ordinary shares in issue as set out in paragraphs headed "Reorganisation" as if the shares were outstanding throughout the entire reporting period.

## 12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES

(a) The emoluments paid or payable to each of the director of the Company

The Company was incorporated in the Cayman Islands on 29 May 2024 and at the date of its incorporation, Lun Tak Po and Wong Chun Lam were appointed as directors of the Company. On 8 August 2024, Wong Chun Lam was resigned, Terence Cheung was appointed as executive director of the Company and Lun Tak Po was redesignated as an executive director of the Company.

On the same date, Leung Michael Chi Chung, Shevki Levent and Shum Sze Wan were appointed as independent non-executive directors of the Company. Tam Chun Wai Edwin was appointed as an independent non-executive director of the Company on 27 September 2024. During the reporting period and prior to their appointment, the independent non-executive directors did not receive any remuneration in their capacity as the Company's directors.

Certain of the directors of the Company received remuneration from the subsidiaries now comprising the Group during the reporting period for the appointment as directors or officers of these subsidiaries. The aggregate amounts of remuneration received or receivable by the directors of the Company during the year is set out below.

## 12. BENEFITS AND INTERESTS OF DIRECTORS AND EMPLOYEES (cont.)

For the year ended 30 June 2025

| | Fee | Salaries and allowances | Other benefit in kind | Retirement benefits scheme contributions 2025 | Total |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| Executive director | | | | | |
| Lun Tak Po | — | 76,436 | — | 2,308 | 78,744 |

For the year ended 30 June 2024

| | Fee | Salaries and allowances | Other benefit in kind | Retirement benefits scheme contributions 2024 | Total |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| Executive director | | | | | |
| Lun Tak Po | — | 75,037 | — | 2,299 | 77,336 |

During the reporting period, no emolument was paid by the Group to any of these directors as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which any of these directors waived or agreed to waive any emoluments during the year.

The emoluments of executive directors shown above were mainly for their services in connection with the management of affairs of the Company and the Group.

(b) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in note 28 to the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the reporting period.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13. INVESTMENTS IN SUBSIDIARIES

| | Year ended 30 June | |
|---|---|---|
| **The Company** | **2025** | **2024** |
| | **US$** | **US$** |
| Unlisted investment, at cost | 110 | 10 |

As at the date of this report, the Company had direct and indirect interests in the following subsidiaries now comprising the Group and the particulars of the subsidiaries during the reporting period and as at the date of this report are as follow:

| Name of Company | Date of incorporation/ establishment | Place of incorporation/ establishment | Particulars of issued and paid-up capital | Proportion of ownership and voting power held by the Company as at | | | Principal activities/ place of operation |
|---|---|---|---|---|---|---|---|
| | | | | 30 June 2025 | 30 June 2024 | Date of this report | |
| Voltage X Holdings Limited | 15 May 2024 | Seychelles | US$10 | 100% directly hold | 100% directly hold | 100% directly hold | Investment holding/Hong Kong |
| Voltage X Innovations Limited | 15 May 2024 | Seychelles | US$10 | 100% indirectly hold | 100% indirectly hold | 100% indirectly hold | Note1/Hong Kong |
| Xact Digital Limited | 12 August 2021 | Hong Kong | HK$100,000 | 100% indirectly hold | 100% indirectly hold | 100% indirectly hold | Note1/Hong Kong |
| Voltage X Australia Pty Limited | 28 June 2024 | Australia | AUD12 | 100% indirectly hold | 100% indirectly hold | 100% indirectly hold | Not yet commenced business |
| Voltage X LLC | 3 September 2024 | Delaware | US$100 | 100% directly hold | - | 100% directly hold | Not yet commenced business |

All subsidiaries except for Xact Digital Limited, now comprising the Group are limited liability companies and have adopted 30 June as their financial year end date. For Xact Digital Limited, it is also a limited liability company but the financial year end date is 31 December.

Notes:

(1) Principal activities of the subsidiaries are public relations, digital marketing strategy, social media management, video production, creative design, influencer strategy and event management across multi-channels.

(2) No audited financial statements of Voltage X Holdings Limited and Voltage X Innovations Limited have been prepared since their respective dates of incorporation as they are incorporated in the jurisdictions where there is no statutory audit requirements.

(3) No audited financial statements of Voltage X Australia Pty Limited and Voltage X LLC have been prepared as they were newly incorporated on 28 June 2024 and 3 September 2024 respectively.

(4) The statutory financial statements of Xact Digital Limited for the years ended 31 December 2023 have been prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants and was audited by Tsoi & Tsoi CPA Limited, certified public accountants registered in Hong Kong.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. PROPERTY, PLANT AND EQUIPMENT

| | Computer equipment | Office equipment | Leasehold improvement | Total |
|---|---|---|---|---|
| | US$ | US$ | US$ | US$ |
| At cost: | | | | |
| At 1 July 2023 | 13,536 | 4,344 | — | 17,880 |
| Additions | 2,627 | — | — | 2,627 |
| Exchange adjustments | 52 | 14 | — | 66 |
| At 30 June 2024 | 16,215 | 4,358 | — | 20,573 |
| Aggregate depreciation: | | | | |
| At 1 July 2023 | 2,678 | 465 | — | 3,143 |
| Charge for the year | 3,105 | 869 | — | 3,974 |
| Exchange adjustments | 17 | 4 | — | 21 |
| At 30 June 2024 | 5,800 | 1,338 | — | 7,138 |
| Net carrying amount: | | | | |
| At 30 June 2024 | 10,415 | 3,020 | — | 13,435 |
| At cost: | | | | |
| At 1 July 2024 | 16,215 | 4,358 | — | 20,573 |
| Additions | 8,743 | — | 51,026 | 59,769 |
| Exchange adjustments | 21 | 6 | — | 27 |
| At 30 June 2025 | 24,979 | 4,364 | 51,026 | 80,369 |
| Aggregate depreciation: | | | | |
| At 1 July 2024 | 5,800 | 1,338 | — | 7,138 |
| Charge for the year | 4,565 | 873 | 3,402 | 8,840 |
| Exchange adjustments | 8 | 2 | — | 10 |
| At 30 June 2025 | 10,373 | 2,213 | 3,402 | 15,988 |
| Net carrying amount: | | | | |
| At 30 June 2025 | 14,606 | 2,151 | 47,624 | 64,381 |

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15. RIGHT-OF-USE ASSETS

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:-

| | Motor vehicle | Leased properties | Total |
|---|---|---|---|
| | US$ | US$ | US$ |
| At 1 July 2023 | 259,280 | — | 259,280 |
| Additions | — | — | — |
| Depreciation charge for the year | (63,548) | — | (63,548) |
| Exchange adjustment | 702 | — | 702 |
| At 30 June 2024 | 196,434 | — | 196,434 |
| At 1 July 2024 | 196,434 | — | 196,434 |
| Additions | — | 291,343 | 291,343 |
| Depreciation charge for the year | (63,790) | (40,464) | (104,254) |
| Exchange adjustment | 252 | — | 252 |
| At 30 June 2025 | 132,896 | 250,879 | 383,775 |

The Group has lease arrangement for a motor vehicle and an office. The lease terms for a motor vehicle is over four years (2024: over four years) for the year ended 30 June 2025. The lease terms for an office is over 3 years (2024: nil) for the year ended 30 June 2025.

The Group regularly entered into short-term lease for event venues. As at 30 June 2025 and 2024, the portfolio of short-term leases is similar to which the short-term lease expenses disclosed below.

Restrictions or covenants on leases

As at 30 June 2025, lease liabilities of US$354,656 are recognized with related right-of-use assets of US$383,775 (2024: lease liabilities of US$127,292 are recognized with related right-of-use assets of US$196,434). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The analysis of expense items in relation to leases recognized in profit or loss is as follows:

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Depreciation charge of right-of-use assets | 104,254 | 63,548 |
| Interest on lease liabilities (note 7) | 9,306 | 4,498 |
| Expense relating to short-term leases | 246,785 | 246,787 |
| Total cash outflow for leases | 320,234 | 296,329 |

Details of total cash outflow for lease and the maturity analysis of lease liabilities are set out in note 18(c).

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. TRADE RECEIVABLES

| | At 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Trade receivables | 5,049,322 | 4,997,855 |
| Less : Loss allowance | (68,491) | (66,342) |
| | 4,980,831 | 4,931,513 |

As at 1 July 2023, trade receivables from contract with customers amounted to US$2,848,785.

Included in the trade receivables is US$2,385,378 (2024 : US$3,872,932) and loss allowance US$5,167 (2024: US$4,810) in respect of trade receivables and loss allowance from the related companies.

The Group grants credit terms of 14 to 30 days to client, except for client from sub-licensing activities with credit terms of 1 year.

The movement in loss allowance for trade receivables during the year, including both specific and collective loss components, is as follows:

| | At 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| At 1 July 2024 and 2023 | 66,342 | 80,010 |
| Provision (reversal) for impairment | 2,064 | (13,899) |
| Exchange difference | 85 | 231 |
| At 30 June 2025 and 2024 | 68,491 | 66,342 |

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables as at 30 June 2024 and 2025:

| | Gross carrying amount | Average loss rate | Loss allowance |
|---|---|---|---|
| | US$ | | US$ |
| 2025 | | | |
| Not Overdue | 541,530 | 0.91% | 4,916 |
| Overdue 1 – 30 Days | 394,606 | 0.75% | 2,978 |
| Overdue 31 – 60 Days | 372,104 | 0.47% | 1,731 |
| Overdue 61 – 335 Days | 2,565,831 | 0.04% | 983 |
| Overdue 335 Days | 1,175,251 | 4.93% | 57,883 |
| | 5,049,322 | | 68,491 |
| 2024 | | | |
| No Overdue | 350,789 | 0.48% | 1,691 |
| Overdue 1 – 30 Days | 297,541 | 1.81% | 5,394 |
| Overdue 31 – 60 Days | 289,942 | 1.94% | 5,611 |
| Overdue 61 – 335 Days | 2,281,545 | 0.26% | 5,948 |
| Overdue 335 Days | 1,778,038 | 2.68% | 47,698 |
| | 4,997,855 | | 66,342 |

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. TRADE RECEIVABLES (cont.)

Expected loss rates are based on actual loss experience over the past few years in the industry. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Receivables that were neither past due nor impaired relate to a wide range of clients for whom there was no recent history of default.

As at 30 June 2025, receivables with aggregate carrying amount of US$4,507,792 (2024: US$4,647,066) which are past due as at the reporting date. Out of the past due balances, US$3,741,082 (2024: US$3,975,841) has been past due 60 days or more and is not considered as in default by considering the ongoing business relationship, repayment history and expected future settlement. The Group does not hold any collateral over these balances. A number of independent clients that have a good track record with the Company with significant outstanding balances with gross carrying amounts of US$4,735,368 and US$4,782,195 as at 30 June 2025 and 30 June 2024 respectively were assessed individually. Based on experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

The carrying amounts US$245,463 (2024: US$149,317) of the Group's trade receivables are dominated in Hong Kong Dollars.

## 18. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

| | At 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows | 36,002 | 132,322 |

Included in cash and cash equivalents in the consolidated statement of financial position are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

| | 2025 | 2024 |
|---|---|---|
| Hong Kong Dollar ("HKD") | 260,653 | 878,934 |
| Australian Dollar ("AUD") | 3,919 | 5,976 |

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. CASH AND CASH EQUIVALENTS (cont.)

(b) Reconciliation of profit before taxation to cash (used in)/generated from operations:

| | Notes | Year ended 30 June 2025 | 2024 |
|---|---|---|---|
| | | US$ | US$ |
| Profit before taxation | | 507,248 | 1,166,795 |
| Adjustments for: | | | |
| Loss/ (reversal) on expected credit loss allowance | 8(b) | 2,064 | (13,899) |
| Interest income | 6 | (300) | (529) |
| Depreciation | | | |
| – property, plant and equipment | 8(b) | 8,840 | 3,974 |
| – right-of-use assets | 8(b) | 104,254 | 63,548 |
| Fair value change of a convertible note | | 409,859 | |
| Finance costs | 7 | 9,306 | 4,498 |
| **Operating profit before working capital changes** | | 1,041,271 | 1,224,387 |
| (Increase)/decrease in trade receivables | | | |
| – Independent Third Parties | | (1,539,022) | (362,673) |
| – Related Parties | | 1,487,555 | (1,706,387) |
| (Increase)/decrease in deposits and prepayment | | (538,900) | 1,580 |
| Increase/(decrease) in trade payables | | | |
| – Independent Third Parties | | (547,013) | 546,621 |
| – Related Parties | | (583,009) | 383,808 |
| (Decrease)/increase in accruals and other payables | | | |
| – Independent Third Parties | | (42,223) | (13,566) |
| – Related Parties | | 90,231 | 6,826 |
| (Decrease)/increase in contract liabilities | | (27,733) | 38,412 |
| Increase/(decrease) in amounts due to a director | | 29,170 | (22,045) |
| Increase in amounts due to related companies | | 7,679 | 35,869 |
| **Cash (used in)/ generated from operations** | | (621,994) | 132,832 |

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities 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.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. CASH AND CASH EQUIVALENTS (cont.)

Lease liabilities

| | Notes | Year ended 30 June 2025 | 2024 |
|---|---|---|---|
| | | US$ | US$ |
| **At 1 July** | 25 | 127,292 | 171,878 |
| **Changes from financing cash flows:** | | | |
| Additions | | 291,343 | — |
| Repayment of lease liabilities | | (64,142) | (45,044) |
| Interest paid for lease liabilities | | (9,306) | (4,498) |
| Total changes from financing cash flows | | (73,448) | (49,542) |
| Exchange adjustment | | 163 | 458 |
| **Other changes:** | | | |
| Interest expenses | 7 | 9,306 | 4,498 |
| Total other changes | | 9,306 | 4,498 |
| **At 30 June** | 25 | 354,656 | 127,292 |

## 19. TRADE PAYABLES

Included in the trade payables is US$936,673 (2024: US$1,519,682) in respect of trade payables to the related companies.

The following is an aging analysis of trade payables presented based on the invoice date at 30 June 2024 and 2025:

| | At 30 June 2025 | 2024 |
|---|---|---|
| | US$ | US$ |
| 0 – 30 days | 280,946 | 182,250 |
| 31 – 90 days | 557,843 | 402,603 |
| Over 90 days | 444,011 | 1,827,969 |
| | 1,282,800 | 2,412,822 |

The carrying amounts US$173,597 (2024: US$60,481) of the Group's trade payables are dominated in Hong Kong Dollars.

## 20. AMOUNTS DUE TO A DIRECTOR

As at 30 June 2025, amounts due to a director, Terence Cheung, of US$162,902 (2024: US$133,732) are unsecured, non-interest bearing and have no fixed repayment terms.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21. AMOUNTS DUE TO RELATED COMPANIES

| | At 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Raeon International Limited | 53,370 | 51,289 |
| V22 Event Space Management Limited | 7,258 | 1,660 |
| | 60,628 | 52,949 |

The amounts due to related companies are unsecured, non-interest bearing and have no fixed repayment terms.

## 22. LOANS FROM RELATED COMPANIES

As at 30 June 2025 and 2024, loans from three related companies, The Fifth Element 2014 Limited, Raeon International Limited and Coco Alexandra PR & Events Limited are unsecured, non-interest bearing and repayable on demand by 1 month's written notice.

| | At 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| The Fifth Element 2014 Limited | 194,120 | 193,871 |
| Raeon International Limited | 482,168 | — |
| Coco Alexandra PR & Events Limited | 51,282 | — |
| | 727,570 | 193,871 |

## 23. LOANS FROM A DIRECTOR

As at 30 June 2025, loans from a director, Terence Cheung, are unsecured, non-interest bearing and repayable on demand by 1 month's written notice.

## 24. CONVERTIBLE NOTE

The Group issued a convertible note with a principal amount of US$100 in October 2024. The notes have a 18 months term, bearing interest at the rate of 0% per annum. Upon the Group successful closing of an initial public offering on Nasdaq, the notes will be automatically converted into 245,178 Class A Ordinary Shares of the Group, subject to the notes holder transfers 5% equivalent ordinary shares of Somin Private Limited. Otherwise, the whole principal and interest is repayable in cash at maturity.

The convertible note contains an embedded derivative because the conversion feature does not meet the "fixed-for-fixed" criteria. The Group has irrevocably designated the entire convertible note as a financial liability measured at fair value through profit or loss. This designation eliminates the requirement to bifurcate the embedded derivative from the host contract.

## 25. LEASE LIABILITIES

The Group leases one of its motor vehicles under a finance lease. The lease term was 5 years. The obligation under a finance lease carried interest at 1.55% per annum during the reporting period.

At 30 June 2024 and 2025, the lease liabilities were repayable as follows:

| | At 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Within 1 year | 142,031 | 46,563 |
| After 1 year but within 2 years | 141,497 | 47,969 |
| After 2 years but not exceeding 5 years | 71,128 | 32,760 |
| | 212,625 | 80,729 |
| | 354,656 | 127,292 |
| Less: Amounts due for settlement with 12 months shown under current liabilities | (142,031) | (46,563) |
| Amount due for settlement after 12 months shown under non-current liabilities | 212,625 | 80,729 |

The weighted average incremental borrowing rates applied to lease liabilities range from 1.55% to 5.25% (2024: 1.55%).

## 26. SHARE CAPITAL

(a) Share capital

The Company was incorporated in the Cayman Islands on 29 May 2024. As at the date of its incorporation, the Company had an authorized share capital of US$50,000 divided into 50,000,000,000 shares of US$0.000001 each. On the same date, one ordinary share was allotted and issued at US$1 paid to the initial subscriber and then the initial subscriber transferred the share to Terence Cheung at US$1 consideration. The Company further allotted and issued a total of 99 ordinary shares of a par value of US$0.000001 each for the consideration US$1 to Terence Cheung.

Pursuant to an resolution passed on 21 June 2024, 49,999,999,900 of the authorized but unissued shares of US$0.000001 each had been converted into 49,999,899,900 Class A Ordinary Shares of par value US$0.000001 each and 100,000 of authorized but unissued shares of US$0.000001 each had been converted into 100,000 Class B Ordinary Shares of par value US$0.000001 each. The 100 ordinary shares of a par value of US$0.000001 each issued to Terence Cheung had also been converted into Class A Ordinary Shares.

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**26. SHARE CAPITAL** (cont.)

As part of the Reorganization, on 28 June 2024, the Company further allotted and issued an aggregate of 15,999,900 Class A Ordinary Shares and 100,000 Class B Ordinary Shares to certain investors for a total consideration of US$16 for acquisition of Xact Digital Limited.

Pursuant to a resolution passed on 16 August 2024, 1,211,001 Class A Ordinary Shares of US$0.000001 each had been issued to certain investors at par value.

Details of the share capital of the Company are as follows:

| | Number of shares | Amount | Shown in the Financial information |
|---|---|---|---|
| | | US$ | US$ |
| Class A Ordinary shares of US$0.000001 each | | | |
| Authorized: | | | |
| At 30 June 2024 and 2025 | 49,999.9 Million | 49,999 | |
| Issued and allotted: | | | |
| At 21 June 2024 | 100 | 100 | |
| At 28 June 2024 | 15,999,900 | 15 | |
| At 30 June 2024 | 16,000,000 | 115 | |
| At 16 August 2024 | 1,211,001 | 1 | |
| | 17,211,001 | 116 | 116 |
| Class B Ordinary shares of US$0.000001 each | | | |
| Authorized: | | | |
| At 30 June 2024 and 2025 | 100,000 | 1 | |
| Issued and allotted: | | | |
| At 28 June 2024, 30 June 2024 and 30 June 2025 | 100,000 | 1 | 1 |
| | | | 117 |

Our share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. Each Class A Ordinary Share entitles the holder the right to one vote per share and each Class B Ordinary Share entitles the holder the right to 10,000 votes per share.

(b) Capital management

The Group's primary objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analyses. The strategy was unchanged during 2024 and 2025.

The Group is not subject to either internally or externally imposed capital requirement.

## 27. EMPLOYEE BENEFIT OBLIGATIONS

The subsidiary of the Group operates a Mandatory Provident Fund Scheme (the MPF scheme) as disclosed in Note 2.4.14 of Basis of preparation and presentation.

The subsidiary is obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the "Abolition"). The Abolition

will officially take effect on 1 May 2025 (the "Transition Date"). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of no further guidance from IASB, the Group has implemented this guidance in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

The Group considered the accrued benefits arising from employer MPF contributions that have been vested with the employee and which could be used to offset the employee's LSP benefits as a deemed contribution by the employee towards the LSP. Historically, the Group has been applying the practical expedient in paragraph 93(b) of IAS 19 to account for the deemed employee contributions as a reduction of the service cost in the period in which the related service is rendered.

Based on the HKICPA's guidance, as a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contributions after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, it would not be appropriate to view the contributions as "independent of the number of years of service" and the practical expedient in paragraph 93(b) of IAS 19 is no longer applicable. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit applying paragraph 93(a) of IAS 19.

The application of the amendments in the current year has had no material impact on the Group's consolidated financial statements during the reporting period.

## 28. RELATED PARTY TRANSACTIONS

Other than those balances with related parties disclosed in note 17, 19, 20, 21, 22 and 23 to the consolidated financial statements, the Group entered into the following transactions with related parties during the reporting period in which certain directors have significant influence:

| | Year ended 30 June | |
|---|---|---|
| | 2025 | 2024 |
| | US$ | US$ |
| Marketing income | 2,166,572 | 2,530,857 |
| Cost of sales | | |
| – Consultancy fee | 823,779 | 823,779 |
| – Rental expense | 246,787 | 246,787 |
| Administrative expenses | | |
| – Advertising expenses | 585,000 | — |
| – Management fee | 102,564 | 137,935 |
| – Telephone and internet | 271 | 270 |
| – Travelling expenses | — | 1,543 |

During the year ended 30 June 2025, the Group has total of US$246,787 of rental expenses paid to V22 Event Space Management Limited (2024: US$246,787). Terence Cheung is the beneficial owner of the Group and the director of V22 Event Space Management Limited.

During the year ended 30 June 2025, the Group has paid US$585,000 of advertising expenses to Raeon International Limited (2024: US$Nil). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

During the year ended 30 June 2025, the Group has paid US$Nil of travelling expenses to Raeon International Limited (2024: US$1,543). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

During the year ended 30 June 2025, the Group has paid US$271 of telephone and internet expenses to Raeon International Limited (2024: US$270). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

During the year ended 30 June 2025, the Group has paid US$223,779 of consultancy expenses to Bunji Property Limited (2024: US$223,779). Terence Cheung is the beneficial owner of the Group, shareholder and director of Bunji Property Limited.

During the year ended 30 June 2025, the Group has paid US$600,000 of consultancy expenses to Tskcheung Enterprises (HK) Limited (2024: US$600,000). Terence Cheung is the beneficial owner of the Group, shareholder and director of Tskcheung Enterprises (HK) Limited.

During the year ended 30 June 2025, the Group has paid US$102,564 of management fee to Raeon International Limited (2024: US$137,935). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

During the year ended 30 June 2025, the Group has received US$37,245 of Marketing income from Raeon International Limited (2024: US$65,241). Terence Cheung is the beneficial owner of the Group and the director and beneficial owner of Raeon International Limited.

During the year ended 30 June 2025, the Group has received US$240,000 of Marketing income from Top Tree International Consulting Limited (2024: US$734,324). Wong Chun Lam was a director of the Company and Voltage X Innovations Limited, up to his resignation on 8 August 2024 and 1 November 2024, respectively, and is acting as key management role of Top Tree International Consulting Limited.

## 28. RELATED PARTY TRANSACTIONS (cont.)

During the year ended 30 June 2025, the Group has received US$1,080,000 of Marketing income from Raeon International Property Management Services (VIC) Pty Limited (2024: US$1,098,145). Terence Cheung is the beneficial owner of the Group and Raeon International Property Management Services (VIC) Pty Limited.

During the year ended 30 June 2025, the Group has received US$6,289 of Marketing income from V22 Event Space Management Limited (2024: US$4,137). Terence Cheung is the beneficial owner of the Group and the director of V22 Event Space Management Limited.

During the year ended 30 June 2025, the Group has received US$611,038 of Marketing income from Insight Property Wealth Pty Limited (2024: US$621,202). Terence Cheung is the beneficial owner of the Group and is acting as key management role of Insight Property Wealth Pty Limited.

During the year ended 30 June 2025, the Group has received US$192,000 of Marketing income from Dough Money Wealth Management Limited (2024: US$Nil). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Dough Money Wealth Management Limited.

During the year ended 30 June 2025, the Group has received US$Nil of Marketing income from Coco Alexandra PR & Events Limited (2024: US$6,809). Lun Tak Po is the beneficial owner of the Group and the director of Coco Alexandra PR & Events Limited.

During the year ended 30 June 2025, the Group has received US$Nil of Marketing income from Bunji Property Limited (2024: US$999). Terence Cheung is the beneficial owner of the Group, shareholder and director of Bunji Property Limited.

## 29. FINANCIAL RISKS MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primary attributable to trade and other receivables and deposit. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. It also sets credit limit on each individual customer and prior approval is required for any transaction exceeding that limit.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 29. FINANCIAL RISKS MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont.)

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 14 days to 1 year from the date of billing. Debtors with balances that are more than 3 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the date of reporting period, 41.08% and 97.07% (2023: 36.88% and 90.38%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

In addition, the Group continuously monitors its trade receivable balances so as to ensure that the Group will not be subject to material bad debt risk.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECL, which is calculated using a provision matrix. Certain debtors with significant balances or credit-impaired are assessed individually.

There has been no change in the estimation techniques or significant assumptions made during the reporting period in assessing the loss allowance for trade receivables.

In respect of deposits, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the deposits has not increased significantly since initial recognition, the Group measures the loss allowance for the deposits at an amount equal to 12-month ECL. The Group has assessed that the ECL of deposits is insignificant at the end of reporting period under 12-month ECL model and therefore, in the opinion of directors, no loss allowance provision was recognized.

In respect of bank balances, the management consider the credit risk is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognized.

The Group does not provide any guarantees which would expose the Group to credit risk.

(b) Liquidity risk

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.

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## 29. FINANCIAL RISKS MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont.)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and earliest date the Group can be required to pay.

| | At 30 June 2025<br>Contractual undiscounted cash outflow | | | | |
|---|---|---|---|---|---|
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years | Total | Carrying amount |
| | US$ | US$ | US$ | US$ | US$ |
| Trade payables | | | | | |
| – Independent Third Parties | 346,127 | — | — | 346,127 | 346,127 |
| – Related Parties | 936,673 | — | — | 936,673 | 936,673 |
| Accruals and other payables | | | | | |
| – Independent Third Parties | 17,761 | — | — | 17,761 | 17,761 |
| – Related Parties | 97,057 | — | — | 97,057 | 97,057 |
| Amounts due to a director | 162,902 | — | — | 162,902 | 162,902 |
| Amounts due to related companies | 60,628 | — | — | 60,628 | 60,628 |
| Loans from related companies | 727,570 | — | — | 727,570 | 727,570 |
| Loan from a director | 124,101 | — | — | 124,101 | 124,101 |
| Lease liabilities | 155,500 | 148,539 | 72,436 | 376,475 | 354,656 |
| | 2,628,319 | 148,539 | 72,436 | 2,849,294 | 2,827,475 |

## 29. FINANCIAL RISKS MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont.)

| | At 30 June 2024 Contractual undiscounted cash outflow | | | | |
|---|---|---|---|---|---|
| | Within 1 year or on demand | More than 1 year but less than 2 years | More than 2 years | Total | Carrying amount |
| | US$ | US$ | US$ | US$ | US$ |
| Trade payables | | | | | |
| – Independent Third Parties | 893,140 | — | — | 893,140 | 893,140 |
| – Related Parties | 1,519,682 | — | — | 1,519,682 | 1,519,682 |
| Accruals and other payables | | | | | |
| – Independent Third Parties | 59,984 | — | — | 59,984 | 59,984 |
| – Related Parties | 6,826 | — | — | 6,826 | 6,826 |
| Amounts due to a director | 133,732 | — | — | 133,732 | 133,732 |
| Amounts due to related companies | 52,949 | — | — | 52,949 | 52,949 |
| Loans from a related company | 193,871 | — | — | 193,871 | 193,871 |
| Lease liabilities | 49,667 | 49,667 | 33,112 | 132,446 | 127,292 |
| | 2,909,851 | 49,667 | 33,112 | 2,992,630 | 2,987,476 |

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits and lease liabilities. Lease liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group also exposed to cash flow interest rate risk in relation to its variable-rate bank balances.

Except as stated above, the Group has no other significant interest-bearing assets and liabilities during the reporting period, its income and operating cash flows are substantially independent of changes in market interest rates.

No sensitivity analysis is presented since the Directors consider that the exposure of cash flow interest rate risk arising from variable-rate bank deposits is limited due to their short maturities or the insignificant amounts involved.

(d) Currency risk

The Company and a subsidiary have bank balances which expose the Group to foreign currency risk. Since HKD is pegged with US$, no significant currency risk would be expected by the Group. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

VOLTAGE X LIMITED
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## 29. FINANCIAL RISKS MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (cont.)

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.
The Group also has bank balances denominated in AUD, but the directors consider such exposure is not significant to the consolidated financial statements and hence no sensitivity analysis for AUD is presented.

(e) Fair values

*(i) Financial assets and liabilities measured at fair value*

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group engaged an external valuer to perform valuations for the financial instruments, including conversion bond designated at fair value through profit or loss which is categorized into Level 3 of the fair value hierarchy. The valuer reports directly to the chief executive officer. A valuation report with analysis of changes in fair value measurement is prepared by the valuer at each interim and annual reporting date, and is reviewed and approved by the chief executive officer. Discussion of the valuation process and results with the chief executive officer is held twice a year, to coincide with the reporting dates.

| | **Fair value at 30 June 2025** | **Level 3** |
|---|---|---|
| Recurring fair value measurements | **US$** | **US$** |
| Liabilities: | | |
| Financial liabilities designated at fair value through profit or loss | 409,959 | 409,959 |

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**29. FINANCIAL RISKS MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS** (cont.)

During the year ended 30 June 2025, there was no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occurred.

Information about Level 3 fair value measurements

| | Valuation techniques | Significant unobservable inputs | Range |
|---|---|---|---|
| Convertible note | Discounted cashflow model | Expected IPO probability | 5%-50% |
| | | Fair value of equity interest in a private entity | US$4 million |

The fair value of conversion bond is determined using the discounted cashflow model and the significant unobservable input used in the fair value measurement are expected IPO probability and fair value of equity interest in a private entity. The fair value measurement is positively correlated to the expected IPO probability and negative correlated to the fair value of equity interest in a private entity. As at 30 June 2025, it is estimated that with all other variables held constant, an increase/decrease in the expected IPO probability by 5% would have decreased/increased the Group's profit by $34,223. An increase/decrease in the fair value of equity interest in a private entity by 5% would have increased/decreased the Group's profit by $4,191.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

| | US$ |
|---|---|
| **Convertible note:** | |
| Issuance at 7 October 2024 | 38,338 |
| Changes in fair value recognised in profit or loss during the period | 371,621 |
| **At 30 June 2025** | 409,959 |
| **Total loss for the period included in profit or loss for liabilities held at the end of the reporting period** | 409,859 |

*(ii) Fair value of financial assets and liabilities carried at other than fair value*

The carrying amounts of the Group's and the Company's financial assets and financial liabilities recorded at amortized cost in the consolidated financial statements and the Company's statement of financial position approximately their respectively fair values.

**30. RESERVE**

(a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of profit or loss and other comprehensive income and the consolidated statements of changes in equity.

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**30. RESERVE** (cont.)

(b) The Company

The Company's reserves and movements are analyzed as follows:

| | Retained profits |
|---|---|
| | US$ |
| At 1 July 2024 | — |
| Result for the period | — |
| At 30 June 2025 | — |

(c) Nature and purpose of reserves

(i) Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company and the aggregate fully paid registered capital of the subsidiaries being acquired pursuant to the Group Reorganization.

(ii) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.4.3 to the consolidated financial statements.

**31. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the reporting period, 16 March, 2026, no significant event after reporting period took place subsequent to 30 June 2025.