VOLTAGE X LIMITED

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDEDS 30 JUNE, 2024 AND 2023

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 43 which comprise the consolidated statement of financial position as of 30 June 2023 and 2024, 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 2023 and 2024, 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 2023 and 2024, and of its consolidated financial performance and its consolidated cash flows for the years ended 30 June 2023 and 2024 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 2024	2023
		US$	US$
Revenue	4, 5		
– Independent Third Parties		2,064,275	1,534,464
– Related Parties		2,530,857	2,549,343
		4,595,132	4,083,807
Cost of sales			
– Independent Third Parties		(1,892,356)	(1,248,849)
– Related Parties		(1,070,566)	(1,129,434)
		(2,962,922)	(2,378,283)
Gross profit		1,632,210	1,705,524
Other revenue	6		
– Independent Third Parties		1,096	19,669
– Related Parties		—	36
		1,096	19,705
Administrative expenses			
– Independent Third Parties		(322,265)	(406,969)
– Related Parties		(139,748)	(122,817)
		(462,013)	(529,786)
Finance costs	7	(4,498)	(8,174)
Profit before taxation		1,166,795	1,187,269
Income tax	9(a)	(200,688)	(200,238)
Profit for the year	8	966,107	987,031
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		(554)	(157)
Profit and total comprehensive income attributable to the owners of the Company for the year		965,553	986,874
Earnings per share:			
Basic and diluted	11	0.06	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 2024	At 30 June 2023
		US$	US$
NON-CURRENT ASSETS			
Property, plant and equipment	14	13,435	14,737
Right-of-use assets	15	196,434	259,280
		209,869	274,017
CURRENT ASSETS			
Trade receivables	16		
– Independent Third Parties		1,063,391	747,761
– Related Parties		3,868,122	2,101,024
Deposits and prepayment		3,317	4,897
Cash and cash equivalents	17(a)	132,322	87,445
		5,067,152	2,941,127
CURRENT LIABILITIES			
Trade payables	18		
– Independent Third Parties		893,140	346,519
– Related Parties		1,519,682	1,135,874
Accruals and other payables			
– Independent Third Parties		59,984	73,550
– Related Parties		6,826	—
Contract liabilities	4	38,412	—
Amounts due to a director	19	133,732	155,777
Amounts due to related companies	20	52,949	17,080
Loan from a related company	21	193,871	229,690
Lease liabilities	22	46,563	45,008
Tax payable	9(c)	400,926	200,238
		3,346,085	2,203,736
NET CURRENT ASSETS		1,721,067	737,391
NON-CURRENT LIABILITIES			
Lease liabilities	22	(80,729)	(126,870)
		(80,729)	(126,870)
NET ASSETS		1,850,207	884,538
CAPITAL AND RESERVES			
Share capital	23	116	12,765
Reserves	27	12,054	(157)
Retained profits		1,838,037	871,930
TOTAL EQUITY		1,850,207	884,538

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 2022	127	—	—	(115,101)	(114,974)
Issue of shares	12,638	—	—	—	12,638
Profit for the year	—	—	—	987,031	987,031
Other comprehensive expense	—	(157)	—	—	(157)
Total comprehensive (expense)/income for the year	—	(157)	—	987,031	986,874
Balance at 30 June 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

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 2024	2023
		US$	US$
OPERATING ACTIVITIES			
Cash generated from operations	17(b)	132,832	91,415
Tax paid:			
Tax paid/refunded		—	—
Net cash generated from operating activities		132,832	91,415
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	14	(2,627)	(10,463)
Payments for right-of-use assets		—	(87,803)
Interest received		529	124
Net cash used in investing activities		(2,098)	(98,142)
FINANCING ACTIVITIES			
(Decrease)/increase in loan from a related company		(35,819)	102,571
Issue of share capital		116	12,638
Repayment of lease liabilities	17(c)	(45,044)	(57,848)
Interest paid for lease liabilities	7	(4,498)	(8,174)
Net cash (used in)/generated from financing activities		(85,245)	49,187
NET INCREASE IN CASH AND CASH EQUIVALENTS		45,489	42,460
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		87,445	45,121
Effect of foreign exchange rates changes		(612)	(136)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17(a)	132,322	87,445

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 is a newly incorporated company which not yet commenced business.

In connection with the initial listing of shares of the Company on Nasdaq, the consolidated financial statements are presented in USD, 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 2024. 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 2024, whichever is the shorter period. The consolidated statements of financial position of the Group as at 30 June 2023 and 30 June 2024 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 International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). IFRSs 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 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 degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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 IFRSs

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 1	Classification of Liabilities Current or Non-current	1 January 2024
Amendments to IAS 1	Non-current Liabilities Covenants	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale Leaseback	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Financial Instruments Standards	1 January 2026
IFRS 18	Presentation and in Financial Statements	1 January 2027
IFRS 19 and IFRS 7	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of 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.

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.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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 ("USD"), 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 FVPL 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.

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.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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%

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 2.4.5).

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 Credit losses and impairment of assets

(1) 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.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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.

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.

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2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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 60 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;
- 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 FVOCI (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 2.4.15 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.

(11) 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) may be impaired or an impairment loss previously recognized no longer exists or may have decreased.

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2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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.

2.4.6 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 2.4.5.

2.4.7 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.

2.4.8 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND PRESENTATION (cont.)

2.4.9 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.

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.

2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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.

2.4.10 Borrowings

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

2.4.11 Equity instruments

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

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.

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:

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2. BASIS OF PREPARATION AND PRESENTATION (cont.)

(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.

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.

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2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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

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

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2. BASIS OF PREPARATION AND PRESENTATION (cont.)

- 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 2.4.5).

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.

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.

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2. BASIS OF PREPARATION AND PRESENTATION (cont.)

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.

(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.

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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 26. 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.

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 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
Year ended 30 June 2023			
Revenue from contracts with customers within the scope of IFRS 15:			
Services transferred at a point in time	560,012	159,322	719,334
Services transferred over time	3,319,667	44,806	3,364,473
	3,879,679	204,128	4,083,807

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 and public relation services are satisfied at a point in time when the services have been rendered. The payment is generally due within 30 days from the date of services rendered.

4. REVENUE (cont.)

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.

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

	30 June 2024	30 June 2023
	US$	US$
Receivables	4,931,513	2,848,785
Contract liabilities	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. As a result, the Group does not recognize contract assets.

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. There was no contract liabilities as at 1 July 2022.

As at June 30, 2023, no contract liabilities were recognized, as all milestones for previously prepaid projects had been completed and the corresponding revenue fully recognized prior to the end of reporting period.

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.

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5. SEGMENT INFORMATION (cont.)

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	
	2024	2023
	US$	US$
Australia	1,719,347	1,280,936
United Kingdom	615,531	600,000
Taiwan	734,324	720,000
Hong Kong	1,482,528	1,372,836
Other countries	43,402	110,035
	4,595,132	4,083,807

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

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	
	2024	2023
	US$	US$
Customer A	734,324	720,000
Customer B	615,531	600,000
Customer C	1,098,145	1,080,000
Customer D	621,202	N/A*

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. OTHER REVENUE

	Year ended 30 June	
	2024	2023
	US$	US$
Bank interest income	529	124
Sundry income	544	17,365
Exchange gain	23	2,216
	1,096	19,705

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCE COSTS

	Year ended 30 June	
	2024	2023
	US$	US$
Interest expense on lease liabilities	4,498	8,174

8. PROFIT FOR THE YEAR

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

(a) **Staff costs**

	Year ended 30 June	
	2024	2023
	US$	US$
MPF employers' contribution	32,776	30,372
Directors' remuneration	75,037	53,104
Salaries and allowances included in:		
– Cost of sales	587,894	551,915
– Administrative expenses	82,378	92,677
	778,085	728,068

(b) **Other items**

	Year ended 30 June	
	2024	2023
	US$	US$
Auditors' remuneration	2,618	2,617
Depreciation of property, plant and equipment	3,974	2,738
Depreciation of right-of-use assets	63,548	58,223
(Reversal of allowance) allowance for ECL of trade receivables	(13,899)	64,204

9. INCOME TAX

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

	Year ended 30 June	
	2024	2023
	US$	US$
Current tax		
Provision for the year	200,688	200,238

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.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME TAX (cont.)

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

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.

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

	Year ended 30 June	
	2024	2023
	US$	US$
Profit before taxation	1,166,795	1,187,269
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	192,521	195,899
Tax effect of non-deductible expenses	10,946	13,202
Tax effect of non-taxable income	(87)	(20)
Tax effect of tax loss not recognized	4,870	23,229
Tax effect of temporary difference not recognized	(7,562)	(32,072)
Actual tax expense	200,688	200,238

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

	At 30 June	
	2024	2023
	US$	US$
Balance of Profits Tax provision relating to prior years	200,238	—
Provision for the year	200,688	200,238
Tax payable	400,926	200,238

(d) In accordance with the accounting policy set out in note 2.4.9, 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	
	2024	2023
	US$	US$
Depreciation allowances in deficit of related depreciation charges	(122,924)	(136,421)
Future benefit of tax losses	245,672	184,426
	122,748	48,005

10. DIVIDEND

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

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. EARNINGS PER SHARE

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

	Year ended 30 June	
	2024	2023
	US$	US$
Basic and diluted profit per share		
Profit attributable to the ordinary equity holders of the Group in calculating profit per share	966,107	987,031

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

	2024 Number	2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basis and diluted profit per share	16,100,000	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 16,100,000 shares of the Company are in issue and issuable, comprising 16,000,000 shares Class A ordinary shares and 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.

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

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

For the year ended 30 June 2023

	Fee	Salaries and allowances	Other benefit in kind	Retirement benefits scheme contributions 2023	Total
	US$	US$	US$	US$	US$
Executive director					
Lun Tak Po	—	53,104	—	1,532	54,636

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 25 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.

13. INVESTMENTS IN SUBSIDIARIES

	Year ended 30 June	
The Company	2024	2023
	US$	US$
Unlisted investment, at cost	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 2024	30 June 2023	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

13. INVESTMENTS IN SUBSIDIARIES (cont.)

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 have been prepared since its respective dates of incorporation as it is incorporated in the jurisdictions where there is no statutory audit requirements.

(3) No audited financial statements of Voltage X Innovations Limited has been prepared as it were newly incorporated on 15 May 2024.

(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.

(5) No audited financial statements of Voltage X Australia Pty Limited has been prepared as it were newly incorporated on 28 June 2024.

14. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Office equipment	Total
	US$	US$	US$
At cost:			
At 1 July 2022	7,410	—	7,410
Additions	6,118	4,345	10,463
Exchange adjustments	8	(1)	7
At 30 June 2023	13,536	4,344	17,880
Aggregate depreciation:			
At 1 July 2022	406	—	406
Charge for the year	2,273	465	2,738
Exchange adjustments	(1)	—	(1)
At 30 June 2023	2,678	465	3,143
Net carrying amount:			
At 30 June 2023	10,858	3,879	14,737
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

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (cont.)

	Computer equipment	Office equipment	Total
	US$	US$	US$
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

15. RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:-

Motor vehicle

	Year ended 30 June	
	2024	2023
	US$	US$
At 1 July	259,280	—
Additions	—	317,579
Depreciation	(63,548)	(58,223)
Exchange adjustment	702	(76)
At 30 June	196,434	259,280

The Group has lease arrangement for motor vehicle The lease terms are over four years (2023: over four years) for the year ended 30 June 2024.

The Group regularly entered into short-term lease for event venues. As at 30 June 2024 and 2023, the portfolio of short-term leases is similar to which the short-term lease expenses disclosed below.

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

	Year ended 30 June	
	2024	2023
	US$	US$
Depreciation charge of right-of-use assets		
– Motor vehicle	63,548	58,223
Interest on lease liabilities (note 7)	4,498	8,174
Expense relating to short-term leases	246,787	205,655
Total cash outflow for leases	296,329	271,677

Details of total cash outflow for lease and the maturity analysis of lease liabilities are set out in note 17(c).

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. TRADE RECEIVABLES

	At 30 June	
	2024	2023
	US$	US$
Trade receivables	4,997,855	2,928,795
Less : Loss allowance	(66,342)	(80,010)
	4,931,513	2,848,785

As at 1 July 2022, trade receivables from contracts with customers amounted to USD126,834.

Included in the trade receivables is US$3,872,932 (2023 : US$2,166,546) and loss allowance US$4,810 (2023: US$65,522) in respect of trade receivables and loss allowance from the related companies.

The Group grants credit terms of 30 days to client.

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

	At 30 June	
	2024	2023
	US$	US$
At 1 July 2023 and 2022	80,010	15,802
(Reversal)/provision for impairment	(13,899)	64,204
Exchange difference	231	4
At 30 June 2024 and 2023	66,342	80,010

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables as at 30 June 2023 and 2024:

	Gross carrying amount	Average loss rate	Loss allowance
	US$		US$
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
2023			
No Overdue	336,940	0.92%	3,094
Overdue 1 – 30 Days	288,783	1.39%	4,010
Overdue 31 – 60 Days	275,352	1.18%	3,260
Overdue 61 – 335 Days	1,977,235	0.97%	19,161
Overdue 335 Days	50,485	100.00%	50,485
	2,928,795		80,010

16. 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 2024, receivables with aggregate carrying amount of USD4,647,066 (2023: USD2,591,855) which are past due as at the reporting date. A number of independent clients that have a good track record with the Company with significant outstanding balances with gross carrying amounts of US$4,782,195 and US$2,598,000 as at 30 June 2024 and 30 June 2023 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$149,317 (2023: US$250,785) of the Group's trade receivables are dominated in Hong Kong Dollars.

17. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

	At 30 June	
	2024	2023
	US$	US$
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	132,322	87,445

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:

	2024	2023
Hong Kong Dollar	878,934	628,737
Australian Dollar	5,976	5,974

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. CASH AND CASH EQUIVALENTS (cont.)

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

	Notes	Year ended 30 June 2024	2023
		US$	US$
Profit before taxation	9(b)	1,166,795	1,187,269
Adjustments for:			
(Reversal)/loss on expected credit loss allowance		(13,899)	64,204
Interest income	6	(529)	(124)
Depreciation			
– property, plant and equipment	8(b)	3,974	2,738
– right-of-use assets	8(b)	63,548	58,223
Finance costs	7	4,498	8,174
Operating profit before working capital changes		1,224,387	1,320,484
Increase in trade receivables			
– Independent Third Parties		(362,673)	(690,823)
– Related Parties		(1,706,387)	(2,111,137)
Decrease in deposits and prepayment		1,580	3,353
Increase in trade payables			
– Independent Third Parties		546,621	277,813
– Related Parties		383,808	1,130,106
(Decrease)/increase in accruals and other payables			
– Independent Third Parties		(13,566)	43,991
– Related Parties		6,826	—
Increase in contract liabilities		38,412	—
(Decrease)/increase in amounts due to a director		(22,045)	155,777
Increase/(decrease) in amounts due to related companies		35,869	(38,149)
Cash generated from operations		132,832	91,415

(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.

17. CASH AND CASH EQUIVALENTS (cont.)

Lease liabilities

	Notes	Year ended 30 June	
		2024	2023
		US$	US$
At 1 July	22	171,878	—
Changes from financing cash flows:			
Additions		—	229,776
Repayment of lease liabilities		(45,044)	(57,848)
Interest paid for lease liabilities		(4,498)	(8,174)
Total changes from financing cash flows		(49,542)	163,754
Exchange adjustment		458	(50)
Other changes:			
Interest expenses	7	4,498	8,174
Total other changes		4,498	8,174
At 30 June	22	127,292	171,878

18. TRADE PAYABLES

Included in the trade payables is US$1,519,682 (2023: US$1,135,874) 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 2023 and 2024:

	At 30 June	
	2024	2023
	US$	US$
0 – 30 days	182,250	184,499
31 – 90 days	402,603	410,216
Over 90 days	1,827,969	887,678
	2,412,822	1,482,393

The carrying amounts US$548,754 (2023: US$575,397) of the Group's trade payables are dominated in Hong Kong Dollars.

19. AMOUNTS DUE TO A DIRECTOR

As at 30 June 2024, amounts due to a director, Terence Cheung, of US$133,732 (2023: US$155,777) are unsecured, non-interest bearing and have no fixed repayment terms.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. AMOUNTS DUE TO RELATED COMPANIES

	At 30 June	
	2024	2023
	US$	US$
Raeon International Limited	51,289	11,643
V22 Event Space Management Limited	1,660	5,437
	52,949	17,080

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

21. LOANS FROM A RELATED COMPANY

As at 30 June 2024, loans from a related company, The Fifth Element 2014 Limited, amounted to US$193,871 (2023: US$229,690) are unsecured, non-interest bearing and repayable on demand by 1 month's written notice.

22. 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.

Restrictions or covenants on leases

As at 30 June 2024, lease liabilities of US$127,292 are recognized with related right-of-use assets of US$196,434 (2023: lease liabilities of US$171,878 are recognized with related right-of-use assets of US$259,280). 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.

At 30 June 2023 and 2024, the lease liabilities were repayable as follows:

	At 30 June	
	2024	2023
	US$	US$
Within 1 year	46,563	45,008
After 1 year but within 2 years	47,969	46,409
After 2 years	32,760	80,461
	80,729	126,870
	127,292	171,878
Less: Amounts due for settlement with 12 months shown under current liabilities	(46,563)	(45,008)
Amount due for settlement after 12 months shown under non-current liabilities	80,729	126,870

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. SHARE CAPITAL

(a) Share capital

The balances as at 30 June 2023 represented the share capital of Xact Digital Limited.

The balances as at 30 June 2024 represented the share capital of the Company.

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.

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.

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	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	115
Class B Ordinary shares of US$0.000001 each			
Authorized:			
At 30 June 2024	100,000	1	
Issued and allotted:			
At 28 June 2024 and 30 June 2024	100,000	1	1
			116

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.

23. SHARE CAPITAL (cont.)

(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 2023 and 2024.

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

24. EMPLOYEE BENEFIT OBLIGATIONS

The subsidiary of the Group operates a Mandatory Provident Fund Scheme (the MPF scheme) as disclosed in Note 2.4.13 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.

25. RELATED PARTY TRANSACTIONS

Other than those balances with related parties disclosed in note 16, 18, 19, 20 and 21 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	
	2024	2023
	US$	US$
Marketing income	2,530,857	2,492,936
Public Relation service income	—	56,407
Other income	—	36
Cost of sales		
– Consultancy fee	823,779	923,779
– Rental expense	246,787	205,655
Administrative expenses		
– Management fee	137,935	122,547
– Telephone and internet	270	270
– Travelling expenses	1,544	—

During the year ended 30 June 2024, the Group has total of US$246,787 of rental expenses paid to V22 Event Space Management Limited (2023: US$205,655). Terence Cheung is the beneficial owner of the Group and the director of V22 Event Space Management Limited.

During the year ended 30 June 2024, the Group has paid US$1,544 of travelling expenses to Raeon International Limited (2023: US$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 2024, the Group has paid US$270 of telephone and internet expenses to Raeon International Limited (2023: 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 2024, the Group has paid US$223,779 of consultancy expenses to Bunji Property Limited (2023: 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 2024, the Group has paid US$600,000 of consultancy expenses to Tskcheung Enterprises (HK) Limited (2023: US$700,000). Terence Cheung is the beneficial owner of the Group, shareholder and director of Tskcheung Enterprises (HK) Limited.

During the year ended 30 June 2024, the Group has paid US$137,935 of management fee to Raeon International Limited (2023: US$122,547). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

During the year ended 30 June 2024, the Group has received US$Nil of other income from Coco Alexandra PR & Events Limited (2023: US$36). 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 2024, the Group has received US$Nil of Public Relation service income from Raeon International Limited (2023: US$56,407). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

During the year ended 30 June 2024, the Group has received US$65,241 of Marketing income from Raeon International Limited (2023: US$220,494). Terence Cheung is the beneficial owner of the Group and the director and shareholder of Raeon International Limited.

25. RELATED PARTY TRANSACTIONS (cont.)

During the year ended 30 June 2024, the Group has received US$734,324 of Marketing income from Top Tree International Consulting Limited (2023: US$720,000). Wong Chun Lam is the director of the Group and is acting as key management role of Top Tree International Consulting Limited.

During the year ended 30 June 2024, the Group has received US$1,098,145 of Marketing income from Raeon International Property Management Services (VIC) Pty Limited (2023: US$1,080,000). Terence Cheung is the beneficial owner of the Group and Raeon International Property Management Services (VIC) Pty Limited.

During the year ended 30 June 2024, the Group has received US$4,137 of Marketing income from V22 Event Space Management Limited (2023: US$29,393). Terence Cheung is the beneficial owner of the Group and the director of V22 Event Space Management Limited.

During the year ended 30 June 2024, the Group has received US$621,202 of Marketing income from Insight Property Wealth Pty Limited (2023: US$200,936). 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 2024, the Group has received US$6,809 of Marketing income from Coco Alexandra PR & Events Limited (2023: US$221,815). 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 2024, the Group has received US$999 of Marketing income from Bunji Property Limited (2023: US$20,298). Terence Cheung is the beneficial owner of the Group, shareholder and director of Bunji Property Limited.

26. 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. 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.

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 30 days 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.

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

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.

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 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	98,396	—	—	98,396	98,396
– 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
	2,948,263	49,667	33,112	3,031,042	3,025,888

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

	At 30 June 2023 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$
Trade payables					
– Independent Third Parties	346,519	—	—	346,519	346,519
– Related Parties	1,135,874	—	—	1,135,874	1,135,874
Accruals and other payables					
– Independent Third Parties	73,550	—	—	73,550	73,550
Amounts due to a director	155,777	—	—	155,777	155,777
Amounts due to related companies	17,080	—	—	17,080	17,080
Loans from a related company	229,690	—	—	229,690	229,690
Lease liabilities	49,503	49,502	82,504	181,509	171,878
	2,007,993	49,502	82,504	2,139,999	2,130,368

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits and short-term borrowings. Borrowings 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

(1) Recognized assets and liabilities

The Group is exposed to currency risk primarily through subsidiaries' business operation which give rise to income, expenses, receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the presentation currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong Dollar ("HKD"). As HKD is pegged to USD, it is assumed that there would be no material currency risk exposure between two currencies. The Directors considered that the Group's exposures to HKD are limited and thus, no sensitivity analysis are presented.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

(e) Fair values

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.

VOLTAGE X LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. 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.

(b) The Company

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

	Retained profits
	US$
At 29 May 2024 (date of incorporation)	—
Result for the period	—
At 30 June 2024	—

(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.

28. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Company further allotted 1,211,001 Class A Ordinary Shares to new shareholders on 16 August 2024.

Subsequent to the reporting period on 3 September 2024, the Group formed a new subsidiary, Voltage X LLC, which is incorporated in Delaware, United States.

No significant event after reporting period took place subsequent to 30 June 2024.