

CRUSHMETRIC GROUP LIMITED

**DIRECTORS' REPORT AND NON-STATUTORY GROUP FINANCIAL
STATEMENTS**

FOR THE 15-MONTH PERIOD ENDED 31 MARCH 2025

CRUSHMETRIC GROUP LIMITED

CORPORATE INFORMATION

DIRECTORS

Executive directors:

Ong Ban Poh Michael

Non-executive directors:

Ivor Colin Shrago

Professor Chow Ching Fung

COMPANY NUMBER

237076

CORPORATE ADVISOR

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London EC2V 6EE

COMPANY SECRETARY

The R&H Trust Co. Limited

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REGISTERED OFFICE

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AUDITOR

Pointon Young

Chartered Accountants

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BANKERS

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REGISTRARS

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CRUSHMETRIC GROUP LIMITED

CONTENTS

	Page
Chairman’s statement	1 – 5
Directors’ report	6 – 10
Governance report	11 – 16
Remuneration committee report	17 – 21
Report from the audit committee	22 – 23
Independent auditor’s report	24 – 28
Consolidated statement of comprehensive income	29
Consolidated statement of financial position	30
Consolidated statement of changes in equity	31
Consolidated statement of cash flows	32
Notes to the non-statutory group financial statements	33 - 70

CRUSHMETRIC GROUP LIMITED
CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2025

The chairman presents his statement for the period ended 31 March 2025.

Dear Shareholders,

This report covers the Group's results for the period ended 31 March 2025.

CRUSHMETRIC Group Limited, acting as the holding company of a group engaged in (i) design and production that integrates shape changing technology ("CRUSH") into a catalogue of products that is designed and invented by the artist and co-founder of CRUSHMETRIC Limited, Noah Deledda. This technology is built on his own series of dented aluminum can sculptures and (ii) the sale and distribution of the CRUSHMETRIC products through online and offline channels worldwide.

Financial highlights

Revenue for the period ended 31 March 2025: HK\$3,977,920 (2023: HK\$6,884,086)

Loss for the period: HK\$9,350,418 (Loss for 2023: HK\$67,855,735)

The basic loss per share for the period: HK\$0.04 (loss per share for 2023: HK\$0.28)

The Group's cash position as at 31 March 2025: HK\$3,698,370 (2023: HK\$521,605)

Review of significant activities

(i) *Convertible Bond*

Renewal of Convertible Bond: Principal Amount USD650,000

On 1 August 2024, the Company entered into an extension agreement for the Convertible Bond ("CB"). The maturity date was extended to 19 January 2026 and the coupon rate adjusted to six percent (6%) per annum in terms of cash plus three percent (3%) per annum in terms of the Company's shares for the period from 20th July 2024 to 19th January 2026. All other terms remain unchanged.

(ii) *Private Placings*

From April 2024 to March 2025, the Group raised approximately HK\$5.26 million through private placings. The proceeds of these subscriptions have been used for general working capital purposes (please refer to Note 19 for details of private placings).

(iii) *Resignation of Non-executive Director and Change in Composition of Board Committees*

On 3rd May 2024, Mr. OW, Dennis Kian-Jing ("Mr. OW"), Non-Executive Director, has resigned from the Company with immediate effect. He is leaving because of other personal and business commitments. Mr. OW was the chairman of the audit committee and a member of each of the remuneration and the nomination committee of the Company.

CRUSHMETRIC GROUP LIMITED
CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2025

The committee functions continued to be exercised and chaired by current Non-Executive Director, Ivor Shrago, after 3 May 2024. The Company Chief Executive Officer, ONG Ban Poh Michael, became a member of each of the audit, remuneration and the nomination committees.

(iv) *Legal Proceeding of a fellow subsidiary – Star Collaboration (Guangzhou) Limited (“Star C”)*

The Group holds 57% shares of Star Collaboration (Guangzhou) Limited (“Star C”).

In 2021, there was approximately RMB1,500,000 (equivalent to approximately GBP166,000) of sales under the sales agreement with a distributor in dispute with Star C in relation to the unit price of product per item. Star C has received the result from the Civil Judgement that it has to return such amount to the distributor. Star C has signed a settlement agreement with the distributor to resolve the legal proceeding and will pay the full amount as a final settlement.

Financial review

(i) *Revenue, gross profit and other revenue*

The Group's revenue for the period ended 31 March 2025 amounted to HK\$3,977,920 which represented a 42% decrease as compared to the year ended 31 December 2023 (approximately HK\$6,884,000 in 2023). It mainly included sales of CRUSHMETRIC products.

The Group's gross profit and gross profit margin for the period ended 31 March 2025 amounted to HK\$2,796,207 and 70% (gross loss and gross loss margin 2023: HK\$4,996,344 and 73%) respectively. The Group's other revenue for the period ended 31 March 2025 amounted to HK\$250,856, and an increase of 443% compared to the year ended 31 December 2023 because of reverse of provisional expenses during the year.

(ii) *Operating expenses*

The Group's distribution costs for the period ended 31 March 2025 amounted to HK\$3,257,843 which decreased by 13.5% as compared to the year ended 31 December 2023. The Group's administrative expenses for the period ended 31 March 2025 were approximately HK\$7,735,000 compared to approximately HK\$8,040,000 for the year ended 31 December 2023, a decrease of 4%.

(iii) *Profit and profit per share*

The Group's loss for the period amounted to HK\$9,350,418 (loss for 2023: HK\$67,855,735). As a result, the Group's basic loss per share for the period was HK\$0.04 (loss per share for 2023: HK\$0.28).

The Directors do not recommend the payment of a dividend.

CRUSHMETRIC GROUP LIMITED

CHAIRMAN'S STATEMENT FOR THE PERIOD ENDED 31 MARCH 2025

(iv) Balance sheet items

The Group's tangible fixed assets as at 31 March 2025 amounted to HK\$225,177 which mainly comprised of leasehold improvements, furniture and fixtures and office equipment. A decrease of approximately HK\$75,000 over the balance as at 31 December 2023 was mainly due to the depreciation for the period.

The Group's goodwill as at 31 March 2025 was valued at HK\$235,194,874 which remains unchanged from the prior year. Following our annual impairment test, the Board has concluded that no impairment was necessary.

The Group's right-of-use assets and lease liabilities-right-of-use assets as at 31 March 2025 amounted to HK\$440,694 and as at 31 December 2023 HK\$718,150 respectively which represented a decrease of approximately HK\$277,000 and an increase of approximately HK\$283,000 respectively as compared to the year ended 2023. The decrease was due to the depreciation during the year.

The Group's inventories as at 31 March 2025 amounted to HK\$419,502 with an increase of approximately HK\$17,000 over the balance as at 31 December 2023. This was mainly due to the purchase of inventories during the period.

The Group's other receivables and prepayments as at 31 March 2025 amounted to HK\$1,373,778 with an increase of approximately HK\$257,000 over the balance as at 31 December 2023.

The Group's trade payables as at 31 March 2025 amounted to HK\$3,094,799 with a decrease of HK\$154,000 over the balance as at 31 December 2023.

The Group's cash and cash equivalents increased from HK\$521,605 as at 31 December 2023 to HK\$3,698,370 as at 31 March 2025. For details of these movements, please refer to the Group's cash flow statement included in the non-statutory group financial statements.

Outlook

The financial period ended 31 March 2025 presented a tale of two halves for the Company. While we were encouraged by a strong sales performance in the first six months, which exceeded the same period in 2023, the second half of the year was exceptionally challenging, leading to an overall revenue decrease of 42% for the full year.

This significant decline is primarily attributed to a substantial contraction in our marketing activities during the latter part of the period due to limited available funds. The competitive nature of the online designer goods sector means that sustained market visibility is crucial, and the lack of it in H2 directly impacted our top-line performance.

Looking Forward: Strategy for Renewed Growth

The Board is taking decisive action to address these challenges and return the Company to a growth trajectory. Our strategy is built around four main priorities: securing working capital for greater

flexibility, refreshing our product line to drive organic demand, executing a flagship retail expansion and embracing financial innovation.

1. **Strengthening our Financial Foundation:** The Company is actively pursuing additional funding to bolster its working capital position. This capital will be strategically deployed to restore our marketing capabilities, ensuring we can effectively re-engage with our customer base and capitalize on sales opportunities across all territories.
2. **Refreshing our Product-Led Growth Strategy:** We believe that our path to sustainable growth is through an enhanced and exciting product range. To that end, we are implementing a comprehensive product development plan, which includes:
 - **Improved Product Design:** Refreshing our core product lines with innovative designs to increase appeal and differentiation in the market.
 - **Expanded Variety:** Introducing a wider range of colours and finishes for our best-selling items, such as CRUSHMETRIC Switchpens and CRUSHMETRIC tumblers, to cater to evolving consumer preferences.
 - **New Product Line Development:** Diversifying our revenue streams by launching complementary product lines within the designer goods segment, attracting new customers and increasing basket size.
3. **Flagship Retail Expansion:** We are in advanced talks with investors to open experiential, company-owned flagship stores in key global cities, including but not limited to the United States, United Kingdom, Japan, South Korea, Singapore, China and Indonesia. Seamlessly blending online and offline customer experiences.
4. **Embracing Financial Innovation: Our Digital Asset Treasury Strategy**

The Board has set a clear and ambitious strategic plan to enhance long-term shareholder value by embracing financial innovation. Central to this is our proposed Digital Asset Treasury Strategy (DAT), for which we will seek shareholder approval at our forthcoming AGM.

This strategy is a comprehensive plan with two synergistic pillars. Firstly, it involves strategically allocating a portion of our treasury reserves to Ethereum (ETH), establishing it as one of our core treasury assets, alongside traditional cash holdings. The Board believes that ETH offers potential benefits, including as a potential store of value and a hedge against inflation, which could position the Company at the forefront of corporate treasury innovation. It is important to note that these potential advantages are not guaranteed, and the strategy is subject to the inherent volatility of digital assets. Secondly, this plan includes accepting ETH as a method of payment for our products.

This integrated approach is designed to create a powerful synergy. Accepting ETH opens a direct channel to a technologically-advanced, global consumer demographic, aligning perfectly with our CRUSHMETRIC product launches and flagship store expansions. Simultaneously, the ETH received would strategically bolster our diversified treasury. This forward-step is designed to position the Company at the forefront of evolving financial and retail trends, balancing innovation with a disciplined approach to risk.

The implementation of DAT will be subject to shareholder approval at the forthcoming Annual General Meeting to be held.

The Board is confident that these strategic initiatives will restore strong sales momentum in the year ahead. Our core business remains the bedrock of our Company. By uniting a strengthened financial foundation which includes the proposed strategic diversification of our treasury, with an enhanced product portfolio and our ambitious retail vision, we are positioned to recapture market share and drive sustainable value for our shareholders. We extend our deepest gratitude to our dedicated employees, whose expertise and commitment are vital to this journey, and to our shareholders, customers, and partners for their continued trust and support.

Ivor Colin Shrago

Chairman

30 September 2025

CRUSHMETRIC GROUP LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

The Directors present their report and the audited non-statutory group financial statements of the Group and its subsidiaries (the “Group”) for the period ended 31 March 2025.

Principal activities and business review

The nature of the Group’s operations and its principal activities are to act as the holding company of a group engaged in (i) design and production that integrates shape changing technology (“CRUSH”) into catalogue of products that is designed and invented by the artist and co-founder of CRUSHMETRIC Limited, Noah Deledda. This technology is built on his own series of dented aluminium can sculptures. (ii) the sale and distribution of the CRUSHMETRIC products through online and offline channels worldwide.

The Group’s revenue for the period ended 31 March 2025 amounted to HK\$3,977,920 which mainly contributed by the sale of CRUSHMETRIC SwitchPens and partly by the CRUSHMETRIC Tumblers. The Group’s loss for the year amounted to HK\$9,350,418. The basic loss per share for the period was HK\$0.04. The Group’s net cash position as at 31 March 2025 was HK\$3,698,000.

Financial highlights

	For the period ended 31 March 2025	For the year ended 31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3,978	6,884
Gross profit/(loss)	2,796	4,996
Gross profit/(loss) margin	70%	73%
Administrative expenses	(7,735)	(8,040)
(Loss)/profit for the year	(9,350)	(67,856)
(Loss)/profit per share – basic (HK\$)	(0.04)	(0.28)

Results and dividends

Loss after taxation for the period ended 31 March 2025 amounted to HK\$9,350,418 (Loss for 2023: HK\$67,855,735).

The Directors do not recommend the payment of a dividend in respect of the period.

CRUSHMETRIC GROUP LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

Directors

The Directors who held office during the period were:

Executive directors:

Ong Ban Poh Michael

Non-executive directors:

Ivor Colin Shrago – Chairman

Ow Dennis Kian Jing (Resigned on 3rd May 2024)

Professor Chow Ching Fung

Directors' interests

The Directors who served during the period and their interests in the Group's issued share capital were:

	Number of ordinary shares held as at 31 March 2025	Number of ordinary shares held as at 31 December 2023
<i>Executive directors:</i>		
Ong Ban Poh Michael (note a)	80,854,467	80,854,467
<i>Non-executive directors:</i>		
Ivor Colin Shrago	484,584	484,584
Ow Dennis Kian Jing (resigned on 3 May 2024)	30,840	30,840
Professor Chow Ching Fung (note a)	28,290,546	28,290,546

Notes:(a) Professor Chow Ching Fung and Ong Ban Poh Michael own approximately 66% and 33% respectively of Megasia International Ltd, which owns 42,224,696 shares in CRUSHMETRIC Group Limited. Accordingly, Professor Chow Ching Fung and Ong Ban Poh Michael are deemed to be interested in all the shares held by Megasia International Ltd totaling 42,224,696. Together with shares held through Megasia International Limited, Mr. Ong holds in total 80,854,467 Ordinary Shares in the Company, representing 33.13% of the issued shares.

The Directors (excluding Mr. Ow Dennis Kian Jing) hold 44.91% of the issued share capital at 31 March 2025.

Senior management

The senior management who served during the period and their interests in the Group's issued share capital were:

	Number of ordinary shares held as at 31 March 2025	Number of ordinary shares held as at 31 December 2023
Ronnie Choi (Former CFO)	312,592	312,592
Professor He Zong Seng, senior consultant	1,221,061	1,221,061

CRUSHMETRIC GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Statement of directors' responsibilities

The Directors have elected to prepare the non-statutory group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the UK, which includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IAS") and Interpretations issued by the International Accounting Standards Board ("IASB"). The non-statutory group financial statements are prepared so as to give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing these non-statutory group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the non-statutory group financial statements;
- prepare the non-statutory group financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group. They are also responsible for the system of internal control, safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the CRUSHMETRIC Group Limited web site is the responsibility of the directors.

Principal risks and uncertainties

Interest rate risk and liquidity risk

The Company is funded by equity, maintaining all its funds in bank accounts. The Company's policy throughout the period has been to minimise the risk of placing available funds on bank current account.

The Company had no undrawn committed borrowing facilities at any time during the period.

Currency risk

The Company is directly exposed to currency risk of its investments, as they are based in Hong Kong with online business worldwide and exposed to movement against the Hong Kong Dollars and USD as their assets, liabilities, revenue and expenditure are denominated therein. The company is denominated in Hong Kong Dollars.

Market risk

The Company is exposed directly to market risk in relation to its investments, as the shares of the Company is currently listed on Aquis stock exchange in London United Kingdom.

Fair values

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash held by the company with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

CRUSHMETRIC GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2025

The directors consider there to be no material difference between the book value of financial instruments and their values at the balance sheet date.

Risk management framework

The Company's board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Cost may be an appropriate estimation of fair value at the measurement date only in limited circumstances, such as for a pre-revenue entity when there is no catalyst for change in fair value, or the transaction date is relatively close to the measurement date. Other indicators include insufficient recent information, wide range of possible fair values and cost represents the best estimate

Financial assets and liabilities

During the period ended 31 March 2025, finance was improved by stricter working capital management in relation to the payment of creditors. By executing the business plan going forward, the Group anticipates that its principal sources of finance will comprise cash in the bank, borrowings and share placings. The main purpose of these is to enhance working capital for the group's operations and to finance the group's operations. Its main liabilities lie in trade payables.

Liquidity risks are managed by maintaining a balance between the continuity of funding and flexibility through the use of loans. The group makes use of money market facilities where funds are available at reasonable cost.

Trade receivables are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade payables are managed by ensuring that sufficient funds are available to meet amounts due from time to time.

Going concern

At the date of signing these non-statutory group financial statements, the Directors have prepared cash flow projections based on different growth scenarios in the underlying businesses of the Group. Following this review, the non-statutory Group financial statements have been prepared on a going concern basis since the Directors are satisfied that the Group has sufficient resources to continue to develop its business in the foreseeable future. Please see Note 3 Principal Accounting Policies for more details.

CRUSHMETRIC GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Annual general meeting

The annual general meeting of the Group will be held on 28 October 2025 at 4:00 pm (Hong Kong time).

Substantial shareholders

As at 30 September 2025, the Group has been notified the following beneficial interests of 5% or more in its shares:

Name of shareholder	Number of shares	% Of issued share capital and voting rights
Chow Ching Fung	28,290,546	11.59%
Lim Yi Shenn (note a)	15,441,639	6.33%
Noah Deledda	69,683,082	28.55%
Ong Ban Poh Michael (note b)	80,854,467	33.13%

- (a) Mr. Lim Yi Shen is holding 3,830,261 Ordinary shares (representing 1.57% of issued shares) through Computershare Company Nominees Limited, together with 11,611,378 Ordinary shares (representing 4.76% of issued shares) held directly by himself, Mr. Lim holds in total 15,441,639 Ordinary Shares in the Company, representing a total of 6.33% of the issued shares.
- (b) Mr. Ong Ban Poh Michael is holding 66,920,317 Ordinary shares (representing 27.42% of issued shares) through Computershare Company Nominees Limited, together with 13,934,150 Ordinary shares (representing 5.71% of issued shares) held directly by himself, Mr. Ong holds in total 80,854,467 Ordinary Shares in the Company, representing a total of 33.13% of the issued shares.
- (c) Except for the shareholders listed in (a) and (b) above, none of the shareholders holds more than 5% individually through the nominee companies.

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- there is no relevant audit information of which the company and the group's auditor is unaware; and
- each director has taken all the steps that ought to have been taken as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Group's non-statutory auditors are Pwint Young, and they will be proposed for reappointment to the member at the Annual General Meeting.

This report was approved by the board on 30 September 2025 and signed on its behalf.


Ong Ban Poh Michael
Director
30 September 2025

CRUSHMETRIC GROUP LIMITED

GOVERNANCE REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

Introduction

The UK Corporate Governance Code published by the Financial Reporting Council does not apply to the Group. The Directors recognise the importance of sound corporate governance and have developed governance policies appropriate for the size of the group, with reference to the main provisions of the Corporate Governance Guidelines for Smaller Quoted Companies published by the Quoted Companies Alliance.

The Group is a small group with a modest resource base. The Group has a clear mandate to optimise the allocation of limited resources to support its development plans. As such, the Group strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Group evolves, the Board is committed to enhancing the Group's corporate governance policies and practices deemed appropriate for the size and maturity of the organisation.

Set out below are CRUSHMETRIC Group Limited's corporate governance practices for the period ended 31 March 2025.

Leadership

The Group is headed by an effective Board which is collectively responsible for the long-term success of the Group.

The role of the Board - The Board sets the Group's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Group's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Group's core values and standards of business conduct and for ensuring that these, together with the Group's obligations to its stakeholders, are widely understood throughout the Group. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board and its Committees. These meetings are timed to link to key events in the Group's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During 2024, the Board met on 15 occasions.

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Group or their areas of responsibility, and to keep them fully briefed on the Group's operations. Such meetings are held either in person or zoom.

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of;

CRUSHMETRIC GROUP LIMITED

GOVERNANCE REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

- The Group's overall strategy;
- Financial statements and dividend policy;
- Management structure including succession planning, appointments, and remuneration (supported by the Nomination Committee);
- Material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls (supported by the Audit Committee);
- The Group's corporate governance and compliance arrangements;
- Corporate policies;

Certain other matters are delegated to the Board committees, namely the Audit, Remuneration and Nominations Committees.

Attendance at Board meetings;

Member	Meetings attended
Chow Ching Fung	15
Michael Ong Ban Poh	15
Dennis Ow Kian Jing (resigned on 3 May 2024)	4
Ivor Colin Shrago	15

The Board is pleased with the high level of attendance and participation of Directors at Board and committee meetings.

CRUSHMETRIC GROUP LIMITED

GOVERNANCE REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

Non-executive Directors - The non-executive Directors bring a broad range of business and commercial experience to the Group and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive Directors are initially appointed for a term of one period, which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Delegations of authority

Board Committees - The Board has delegated matters to three committees namely Audit, Nomination and Remuneration Committees. The memberships, roles and activities of these committees are detailed in separate reports: the Audit Committee on page 23, the Nomination Committee, included within this report on page 16, the Remuneration Committee on page 18. Each committee reports to the Board and the issues considered at meetings of the committees are provided by the respective committee chairmen. The terms of reference of each committee are to be reviewed by the Board every other period.

Other governance matters - All of the Directors are aware that independent professional advice should be available to each Director in order to properly discharge their duties as a director. In addition, each Director and Board committee has access to the advice of the Company Secretary.

The Company Secretary - The Company Secretary is the R&H Trust Co. Limited which is retained on a consultancy basis. The R&H Trust Co. Limited is available to Directors and responsible for the Board complying with UK procedures.

Effectiveness

The Board recognised that due to CRUSHMETRIC's current size, there is limited segregation of duties. In this context the Board will be reliant on the Acting Chief Financial Officer ("CFO"), Lilian Lo, closely to monitor the performance of the Group and to bring to its attention any material issues and transactions.

The Directors review the following management information (the "Management Information") on a monthly basis. This management information comprises:

- detailed income statement including budgeted figures;
- cash and bank balances;
- balance sheet;
- explanatory notes / commentary on major items of income statement, cash flow and balance sheet including debtors ageing analysis;
- variances from budgeted figures; and
- explanatory notes / commentary on major variances from comparing actual performance versus the budget.

CRUSHMETRIC GROUP LIMITED
GOVERNANCE REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

Appointments – the Nomination Committee is responsible for reviewing and the structure, size and composition of the Board and making recommendations to the board with regards to any required changes.

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an induction as soon as practical on joining the Board.

Conflict of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Group. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Group. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation - The Group has a policy of appraising Board performance annually. Having reviewed various approaches to Board appraisal, The Group has concluded that for a Group of its current scale, an internal process in which all Board members submit answers to a questionnaire that considers the functionality of the Board, and its committees is most appropriate at this stage.

Accountability

The Board is committed to providing shareholders with a clear assessment of the Group's position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has delegated to the Audit committee oversight of the relationship with the Group's auditors as outlined in the Audit committee report on page 23.

Going concern - The Group's business activities, together with factors likely to affect its future operations, financial position, and liquidity position are set out in the Chairman's Statement, Operational Review and the Risks and Uncertainties section of the Annual Report. In addition, note 25 to the consolidated financial statements discloses the Group's financial risk management practices with respect to its capital structure, liquidity risk, interest rate risk, credit risk, and other related matters.

CRUSHMETRIC GROUP LIMITED

GOVERNANCE REPORT

FOR THE PERIOD ENDED 31 MARCH 2025

The Directors, having made due and careful enquiry, are of the opinion that the Group has adequate working capital to execute its operations and has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies.

Internal controls - The Board of Directors reviews the effectiveness of the Group's system of internal controls. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances, and risk management. The Group has necessary procedures in place for the period under review and up to the date of approval of the Annual Report and Accounts. The Directors acknowledge their responsibility for the Group's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Group. A risk assessment for each project is carried out by the Directors before making any commitments.

The Audit Committee will regularly review and report to the Board on the effectiveness of the system of internal control. Given the size of the Group and the relative simplicity of the systems, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial control are considered appropriate for a Group of its size and include controls over expenditure, regular reconciliations, and management accounts.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Remuneration

The Board has delegated to the Remuneration Committee responsibility for agreeing the remuneration policy for senior executives. The Directors' remuneration report on pages 18 to 22 contains full details of the role and activities of the Remuneration Committee.

Nomination

The nomination committee comprises Ivor Colin Shrago (Chairman) and Ong Ban Poh Michael.

Committee's Role

The Nomination Committee will review the composition and balance of the Board and senior management on a regular basis to ensure that the Board and senior management have the right structure, skills, and experience in place for the effective management of the Group's business and is expected to meet 4 times a year.

CRUSHMETRIC GROUP LIMITED
GOVERNANCE REPORT
FOR THE PERIOD ENDED 31 MARCH 2025

Main responsibilities

The main duties of the Nomination Committee are expected to be;

- Review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes;
- Succession planning for Directors and other senior executives;
- Identifying and nominating, for Board approval, candidates to fill Board vacancies as and when required;
- Reviewing annually the time commitment required of non-executive Directors; and
- Making recommendations to the Board regarding membership of the Audit and Remuneration Committee in consultation with the Chairman of each Committee.

Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Group and are available to meet with shareholders who have specific interests or concerns. The Group issues its results promptly to individual shareholders and also publishes them on the Group's website: www.crushmetricgroup.com. Regular updates to record news in relation to the Group are included on the Group's website.

Annual General Meeting - At every AGM individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting.

Ivor Colin Shrago
Chairman
30 September 2025

CRUSHMETRIC GROUP LIMITED

REMUNERATION COMMITTEE REPORT FOR THE PERIOD ENDED 31 MARCH 2025

The Remuneration Committee

The Group's Remuneration Committee comprises of 2 Directors: Ivor Colin Shrago (Chairman), and Ong Ban Poh Michael and it met twice during the period to 31 March 2025.

Committee's main responsibilities

- The Remuneration Committee will consider the remuneration policy, employment terms and remuneration of the Directors and review the remuneration of senior management;
- The Remuneration Committee's role is advisory in nature, and it will make recommendations to the Board on the overall remuneration packages for Directors and senior management in order to attract, retain and motivate high quality executives capable of achieving the Group's objectives;
- The Remuneration Committee will also review proposals for any share option plans and other incentive plans, make recommendations for the grant of awards under such plans as well as approving the terms of any performance-related pay schemes;
- The Board's policy is to remunerate the Group's executives fairly and in such a manner as to facilitate the recruitment, retention, and motivation of suitably qualified personnel; and
- The Remuneration Committee, when considering the remuneration packages of CRUSHMETRIC's executives, will review the policies of comparable Companies in the industry.

Committee advisors

The Group will consult with the Group's major investors and investor representative Companies as appropriate. No Director takes part in any decision directly affecting their remuneration. No remuneration advisors were retained by the Remuneration Committee during the period.

CRUSHMETRIC GROUP LIMITED

REMUNERATION COMMITTEE REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Statement of CRUSHMETRIC's policy on Directors' remuneration

The Group's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and senior executives of the highest calibre who can contribute their experience to deliver industry leading performance with the Group's operations. The remuneration package for Executive Directors and non-executive Directors comprises of a base salary and pension contributions only.

Remuneration Components

For the period ended 31 March 2025 base salaries and pension contributions were the sole component of remuneration. The board will consider the components of Director remuneration during the year and following this review these are likely to consist of:

- Base salaries
- Pension and other benefits
- Annual bonus
- Share Incentive arrangements

Service Agreements and Letters of Appointment

All of the service contracts with Directors are on an evergreen basis, subject to termination provisions. The Group may in lieu of notice terminate a directors employment with immediate effect by making a payment which does not exceed a lump sum equal to basic salary and other benefits at the rate prevailing at the date of termination for a period which does not exceed 12 months. As a matter of Group policy, no bonuses shall accrue as a result of a lapse of time in the event of termination. The appointment of Directors is subject to termination upon at least three months' notice.

CRUSHMETRIC GROUP LIMITED

REMUNERATION COMMITTEE REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Terms of appointment

The services of the Directors, provided under the terms of agreement with the Group dated as follows:

Director	Year of appointment	Number of years completed	Date of current engagement letter
Chow Ching Fung	2010	15	15/03/2010
Michael Ong Ban Poh	2010	15	15/03/2010
Dennis Ow Kian Jing (resigned on 3 May 2024)	2010	14	13/06/2013
Ivor Colin Shrago	2010	15	14/12/2010

Consideration of shareholder views

The Remuneration committee considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Group's annual policy on remuneration.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, their individual's experience, and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g., two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Committee may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

CRUSHMETRIC GROUP LIMITED

REMUNERATION COMMITTEE REPORT FOR THE PERIOD ENDED 31 MARCH 2025

Set out below are the emoluments of the Directors for the period ended 31 March 2025 (HKD)(audited):

Name of Director	Short term employee benefits	Post- employment benefits	Other long- term benefits	Terminatio n benefits	Other	Total
Chow Ching Fung	-	-	-	-	-	-
Michael Ong Ban Poh	720,000	-	-	-	-	720,000
Dennis Ow Kian Jing (resigned on 3 may 2024)	81,973	-	-	-	-	81,973
Ivor Colin Shrago	60,000	-	-	-	-	60,000

Set out below are the emoluments of the Directors for the year ended 31 December 2023 (HKD) (audited):

Name of Director	Short term employee benefits	Post- employment benefits	Other long- term benefits	Terminatio n benefits	Other	Total
Chow Ching Fung	-	-	-	-	-	-
Michael Ong Ban Poh	720,450	-	-	-	29,926	750,376
Dennis Ow Kian Jing (resigned on 3 may 2024)	40,000	-	-	-	-	40,000
Ivor Colin Shrago	20,000	-	-	-	-	20,000

None of the remuneration paid was subject to performance conditions.

Other remuneration represents payments to Hong Kong Mandatory Provident Fund (MPF).

CRUSHMETRIC GROUP LIMITED

**REMUNERATION COMMITTEE REPORT
FOR THE PERIOD ENDED 31 MARCH 2025**

Other matters

The Group does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

The Group has not paid out any excess retirement benefits to any Directors or past Directors.

The Group has not paid any compensation to past Directors.

Approved on behalf of the Board of Directors.

Ivor Colin Shrago
Chairman of the Remuneration Committee
30 September 2025

CRUSHMETRIC GROUP LIMITED

REPORT FROM THE AUDIT COMMITTEE FOR THE PERIOD ENDED 31 MARCH 2025

The Audit Committee

The Audit Committee was established during the year and comprises of two Directors and oversees the Group's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the Annual Report and Accounts and the half-yearly reports remains with the Board.

Main Responsibilities

The Audit Committee acts as a preparatory body for discharging the Board's responsibilities in a wide range of financial matters by:

- Monitoring the integrity of the financial statements and formal announcements relating to the Group's financial performance;
- Reviewing significant financial reporting issues and accounting policies and disclosures in financial reports;
- Overseeing that an effective system of internal control and risk management systems are maintained;
- Ensuring that an effective whistle-blowing, anti-fraud and bribery procedures are in place;
- Considering the Group's internal audit requirements and make recommendations to the Board;
- Overseeing the Board's relationship with the external auditors and, where appropriate, the selection of new external auditors;
- Approving non-audit services provided by the external auditors, or any other accounting firm, ensuring the independence and objectivity of the external auditors is safeguarded when appointing them to conduct non-audit services;

Governance

At least one member of the Audit Committee has recent and relevant financial experience. Ivor Colin Shrago, who was appointed as Chairman of the Audit Committee has been working as a lawyer for over 50 years. As a result, the Board is satisfied that the Audit Committee has recent and relevant financial experience.

The Group's external auditors are Pointon Young, and the Audit Committee will closely monitor the level of audit and non-audit services they provide to the Group.

CRUSHMETRIC GROUP LIMITED

REPORT FROM THE AUDIT COMMITTEE FOR THE PERIOD ENDED 31 MARCH 2025

Meetings

In 2025, the Audit Committee met on 3 occasions.

The key work undertaken by the Audit Committee is as follows;

- Consideration and review of full-year and half-yearly results;
- Audit planning and update on relevant accounting developments;
- Consideration and approval of the risk management framework, appropriateness of key performance indicators;
- Review of the Group's Code of Business Conduct;
- Review the Audit Committee terms of reference;
- Review of the effectiveness of the Audit Committee; and
- Internal controls.

The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment, or removal of the external auditors. As such a review of external audit effectiveness will take place annually.

External auditor

The Group's external auditors are Pointon Young. The external auditors have unrestricted access to the Audit Committee Chairman. The Committee is satisfied that Pointon Young has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Audit Committee annually on their independence from the Group. In accordance with professional standards, the partner responsible for the audit is changed every five years. The current auditors, Pointon Young were appointed by the Group in 2023. Having assessed the performance objectivity and independence of the Auditors, the Committee will be recommending the reappointment of Pointon Young as auditors to the Group at the 2025 Annual General Meeting.

Ivor Colin Shrago
Chairman of the Audit Committee
30 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRUSHMETRIC GROUP LIMITED

Opinion

We have audited the financial statements of CRUSHMETRIC Group Limited and its subsidiaries (the "Group") for the period ended 31 March 2025, which comprise:

- the Consolidated statement of profit and loss account and comprehensive income for the period ended 31 March 2025;
- the Consolidated statement of financial position as at 31 March 2025;
- the Consolidated statement of changes in equity for the period then ended;
- the Consolidated statement of cash flows for the period then ended; and
- the Consolidated notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2025 and of the Group's loss for the period then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the UK;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which explains, amongst other matters, that the Group is reliant on trading materially in line with projections and, should it fail to do so, on further support from shareholders, in particular the Directors who have agreed not to recall their loans in a manner that would prejudice the going concern of the Group and who have confirmed their ongoing support to the Group's business activities for the forthcoming twelve months. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included the following:

- Reviewing the cashflow forecasts prepared by the Directors for the period up to September 2026, providing challenge to key assumptions and reviewing for reasonableness;
- A comparison of actual results for the year to past budgets to assess the forecasting ability and accuracy of the Directors;
- Reviewing post year-end EQS News Service announcements and held discussions with management on plans for raising finance and securing convertible bonds to fund the Group; and
- We have assessed the adequacy of going concern disclosures within the Annual Report and Accounts.

Further details of the Directors' assessment of going concern is provided in Note 3. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections

of this report.

Overview of our audit approach

Materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group's financial statements as a whole to be HK\$40,000 (2023: HK\$69,000) based on 1% of turnover.

We use a different level of materiality ('performance materiality') of HK\$24,000 (2023: HK\$41,400) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We set performance materiality at 60% of overall financial statement materiality.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of HK\$2,000 (2023: HK\$3,450). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

We conducted a full scope audit, engaging where appropriate with component auditor in Hong Kong where the group conducts the majority of its operations.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken by each of the components. We determined that there are six significant components of the Group, CRUSHMETRIC Group Limited, as an entity, Crushmetric eCommerce (HK) Limited, MiLOC Medical Jor 1 Limited, Star Collaboration (Guangzhou) Limited, Richmond Group Limited and Crushmetric Limited. CRUSHMETRIC Group Limited is a Cayman entity with no statutory audit requirement, transactions are limited to administrative and professional fees, these were provided by management to us, and we performed audit procedures accordingly. The other components are based in Hong Kong and China, and we engaged with the Hong Kong component auditor to direct the audit process for Crushmetric eCommerce (HK) Limited, Star Collaboration (Guangzhou) Limited, Richmond Group Limited and Crushmetric Limited. Following discussions held at the planning stage, we issued instructions to the component auditor that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported, we reviewed their working papers and discussed key findings. This, together with the audit procedures performed by ourselves at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We set out below, together with going concern which is included above in the section *Material uncertainty related to going concern*, those matters we identified as key audit matters. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How the scope of our audit addressed the key audit matter</i>
<i>Carrying value of intangible assets – Goodwill</i> The carrying value of Goodwill recognised in the financial year ending 31 December 2022 as a result of the purchase of Crushmetric Limited was HK\$293,993,592, being the balance of consideration less the acquired net assets. There is significant accounting judgements and estimates in relation to the carrying value of this asset which is disclosed in note 13 to the financial statements. The key judgement is the director's annual impairment review which resulted in an impairment loss of HK\$58,798,718) during the previous financial year ending 31 December 2023 when the directors carried out there review for that financial year.	We reviewed and discussed managements' impairment review carried out at the financial period end 31 March 2025 particularly checking their discounted Profit and Loss Cashflow and the basis of their projections for the next five years. The directors believe, following their goodwill impaired review for the current period to 31 March 2025, no further impairment is required and that the carrying value of HK\$235,194,874 as at 31 March 2025 is appropriate. We concur with this treatment.
<i>Revenue recognition</i> The Group recognised revenue from the sale of products. Revenue may be inappropriately recognised.	We reviewed the accounting policy and considered whether it is appropriate. We carried out audit procedures to test each revenue stream and that the accounting policy was appropriately applied.
<i>Inventory valuation</i> As disclosed in note 14 the Group holds inventory and its policy is to hold inventory at the lower of cost and net realisable value. Inventory may not be stated at the lower of cost and net realisable value.	We undertook procedures on a sample basis to: (i) test the net realisable value of inventory to recent selling prices. (ii) agree cost to recent purchase invoices. (iii) make enquiries of management to determine whether any specific write downs were required having regard to the ageing of inventory. (iv) where the Group are no longer contracted to sell certain products, we ensured inventories of such products were appropriately written down at year end.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained

within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of the directors

As explained more fully in the statement of directors' responsibilities, set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements.
- We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from AQSE Growth Market rules and Cayman Islands Company Law.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to: enquiries of management, review of board minutes and review of EQS News Service Announcements.

We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the valuation of biological assets and as noted above, we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.

As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including

those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with our engagement letter dated 28th June 2024. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rakesh Chauhan FCCA (Senior Statutory Auditor)

For and on behalf of:

Pointon Young Chartered Accountants

33 Ludgate Hill

Birmingham

B3 1EH

30 September 2025

CRUSHMETRIC Group Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 March 2025

	Notes	For the period From 1 Jan 2024 To 31 Mar 2025	For the year From 1 Jan 2023 To 31 Dec 2023
		HK\$	HK\$
From continuing operations			
Revenue	4	3,977,920	6,884,086
Cost of sales		(1,181,713)	(1,887,742)
Gross profit/(loss)		2,796,207	4,996,344
Other revenue	4	250,856	46,191
Distribution costs		(3,257,843)	(3,768,216)
Administrative expenses		(7,735,209)	(8,040,362)
Foreign exchange (loss)/gain net		(116,491)	(723,045)
Adjusted operating (loss)/profit	5	(8,062,480)	(7,489,088)
Impairment loss for intangible asset and goodwill		-	(58,798,718)
Impairment loss on trade receivable		143,031	(171,135)
Operating (loss)/profit		(7,919,449)	(66,458,941)
Profit on disposal of subsidiaries		-	242,357
Finance costs	6	(1,431,719)	(1,642,123)
Interest income		750	4,681
(Loss)/profit before taxation		(9,350,418)	(67,854,026)
Taxation	7	-	(1,709)
(Loss)/profit for the period		(9,350,418)	(67,855,735)
Other comprehensive income/(loss)			
Exchange differences arising from translation		493,467	278,675
Total comprehensive result for the period		(8,856,951)	(67,577,060)
(Loss)/profit for the period attributable to:			
The equity holders of the parent entity		(8,932,536)	(66,925,167)
Non-controlling interests		(417,882)	(930,568)
		(9,350,418)	(67,855,735)
Total comprehensive (loss)/profit for the period attributable to:			
The equity holders of the parent entity		(8,439,069)	(66,646,492)
Non-controlling interests		(417,882)	(930,568)
		(8,856,951)	(67,577,060)
(Loss)/profit per share – from continuing operations (HK\$)			
Basic	10	(0.04)	(0.28)

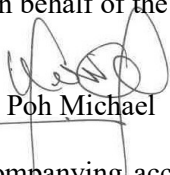
The accompanying accounting policies and notes numbered 1 to 28 form an integral part of these non-statutory group financial statements.

CRUSHMETRIC Group Limited
Consolidated Statement of Financial Position
As of 31 March 2025

		As at 31	As at 31
		March 2025	December 2023
	<i>Notes</i>	<i>HK\$</i>	<i>HK\$</i>
Assets			
<i>Non-current assets</i>			
Fixed assets	<i>11</i>	225,177	300,001
Right-of-use assets	<i>23</i>	440,694	718,150
Goodwill	<i>12</i>	235,194,874	235,194,874
		<u>235,860,745</u>	<u>236,213,025</u>
<i>Current assets</i>			
Inventories	<i>14</i>	419,502	402,018
Trade receivables	<i>15</i>	26,252	9,411
Other receivables and prepayments	<i>16</i>	1,373,778	1,116,808
Cash and cash equivalents	<i>18</i>	3,698,370	521,605
		<u>5,517,902</u>	<u>2,049,842</u>
Total assets		<u>241,378,647</u>	<u>238,262,867</u>
Equity and liabilities			
Equity			
Share capital	<i>19</i>	1,902,628	1,870,234
Share premium		397,678,875	392,450,040
Retained earnings		(216,654,570)	(208,215,501)
Equity attributable to the parent entity		<u>182,926,933</u>	<u>186,104,773</u>
Non-controlling interests		(1,889,852)	(1,471,970)
Total equity		<u>181,037,081</u>	<u>184,632,803</u>
Liabilities			
<i>Current liabilities</i>			
Trade payables		3,094,799	3,249,124
Other payables and accruals	<i>20</i>	37,297,601	30,883,251
Taxation payable		59,302	59,302
Amounts due to directors	<i>17</i>	3,034,238	3,076,886
Lease liabilities	<i>23</i>	364,340	377,946
Borrowings	<i>21</i>	16,399,114	15,622,396
		<u>60,249,394</u>	<u>53,268,905</u>
<i>Non-current liabilities</i>			
Lease liabilities	<i>23</i>	92,172	361,159
Total liabilities		<u>60,341,566</u>	<u>53,630,064</u>
Total equity and liabilities		<u>241,378,647</u>	<u>238,262,867</u>

The accounts have been prepared in accordance with the provisions applicable to groups subject to the small group's regime. Approved by the Board of Directors on 30 September 2025

Signed on behalf of the Directors


Ong Ban Poh Michael
Director

The accompanying accounting policies and notes numbered 1 to 28 form an integral part of these non-statutory group financial statements.

CRUSHMETRIC Group Limited
Consolidated Statement of Changes in Equity
For the period ended 31 March 2025

	Notes	Share capital HK\$	Share premium HK\$	Retained earnings HK\$	Total HK\$	Non- controllinginter ests HK\$	Total Equity HK\$
At 1 January 2023		1,870,234	392,450,040	(141,569,009)	252,751,265	(541,646)	252,209,619
Comprehensive Income and Total Comprehensive Income							
Loss for the period		-	-	(66,925,167)	(66,925,167)	(930,568)	(67,855,735)
Exchange differences arising from translation		-	-	278,675	278,675	-	278,675
Transactions with owners							
Incorporation of a subsidiary with third party		-	-	-	-	284	284
Elimination of non- controlling interest at disposal		-	-	-	-	(40)	(40)
At 31 December 2023 and 1 January 2024		1,870,234	392,450,040	(208,215,501)	186,104,773	(1,471,970)	184,632,803
Comprehensive Income and Total Comprehensive Income							
Loss for the period		-	-	(8,932,536)	(8,932,536)	(417,882)	(9,350,418)
Exchange differences arising from translation		-	-	493,467	493,467	-	493,467
Transactions with owners							
Issuance of shares		32,394	5,228,835	-	5,261,229	-	5,261,229
At 31 March 2025		<u>1,902,628</u>	<u>397,678,875</u>	<u>(216,654,570)</u>	<u>182,926,933</u>	<u>(1,889,852)</u>	<u>181,037,081</u>

The share premium reserve represents the consideration that has been received in excess of the nominal value of shares on issue of ordinary share capital, net of issue costs.

The accompanying accounting policies and notes numbered 1 to 28 form an integral part of these non-statutory group financial statements.

CRUSHMETRIC Group Limited
Consolidated Statement of Cash Flows
For the period ended 31 March 2025

		For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
	<i>Notes</i>	<u>HK\$</u>	<u>HK\$</u>
OPERATING ACTIVITIES			
Cash used in operations	22	(972,538)	(7,894,613)
INVESTING ACTIVITIES			
Purchase of fixed assets		(12,945)	(157,076)
Interest received		750	4,681
		<u> </u>	<u> </u>
Net cash used in investing activities		(12,195)	(152,395)
FINANCING ACTIVITIES			
Issuance of shares		4,996,420	-
Issuance of convertible bond		-	9,286,544
Repayment on leases		(467,879)	(446,210)
Interest paid		(373,192)	(401,447)
		<u> </u>	<u> </u>
Net cash generated from financing activities		4,155,349	8,438,887
		<u> </u>	<u> </u>
Net increase in cash and cash equivalents		3,170,616	391,879
		<u> </u>	<u> </u>
Cash and cash equivalents at beginning of period		521,605	128,658
Effects of currency translation on cash and cash equivalents		6,149	1,068
		<u> </u>	<u> </u>
Cash and cash equivalents at end of period		<u><u>3,698,370</u></u>	<u><u>521,605</u></u>

The accompanying accounting policies and notes numbered 1 to 28 form an integral part of these non-statutory group financial statements.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

1. CORPORATE INFORMATION

CRUSHMETRIC Group Limited (the 'Group') was incorporated in the Cayman Islands on 10 February 2010. Its registered office is the R&H Trust Co., Limited, One Capital Place, George Town, P.O. Box 897, Cayman Islands. The nature of the Group's operations and its principal activities are to act as the holding company of a group engaged in (i) design and production that integrates shape changing technology ("CRUSH") into catalogue of products that is designed and invented by the artist and co-founder of CRUSHMETRIC Limited, Noah Deledda. (ii) the sale and distribution of the CRUSHMETRIC products through online and offline channels worldwide.

CRUSHMETRIC Group Limited is listed on the Aquis Growth Market (AQSE) in the UK and is a group limited by shares.

The annual non-statutory group financial statements for the members were approved by the Board of Directors and authorised for issue on 30 September 2025 and are authorised to be signed on its behalf.

The financial information contained in these financial statements for the members is presented in Hong Kong Dollars ("HK\$") and it is the functional currency of the Group.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the UK, which includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IAS") and Interpretations issued by the International Accounting Standards Board ("IASB"), and on the historical cost convention and using the accruals basis, unless otherwise indicated in this summary of significant accounting policies. The accounts of the parent company are not presented as part of these non-statutory group financial statements.

Standards and interpretations adopted during the period

Information on new standards, amendments and interpretations that are relevant to the Group's annual report and accounts is provided below.

- Definition of Material (Amendments to IAS 1 and IAS 8).
- Definition of a Business (Amendments to IFRS 3).
- Interest Rate Benchmark Reform (IBOR) reform Phase 1 (Amendments to IFRS 9, IAS 39 and IFRS 7).

These standards have no material impact on the Group.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Standards, amendments, and interpretations that are not yet effective:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).
- References to Conceptual Framework (Amendments to IFRS 3).

The IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that ‘settlement’ includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Group is currently assessing the impact of these new accounting standards and amendments.

3. PRINCIPAL ACCOUNTING POLICIES

Going Concern

The financial information has been prepared on the going concern basis of accounting which assumes adequate financial resources will be available to the Group for a period of at least twelve months from the date of approval of the non-statutory Group financial statements. In support of this assumption, the Directors have prepared detailed budgets and cash flow projections based on continuing operations and the Group’s currently available cash and cash projected to be generated from its operations. Those budgets and cash flow projections include future estimated results from the 2022 expansion of the Group’s Fast Moving Consumer Goods (“FMCG”) and Designer products and have been reviewed and approved by the Board of Directors.

The ability of the Group to continue as a going concern for the foreseeable future is dependent on the ability of the Group to trade materially in line with its projections, including the continuing trade under the new CRUSHMETRIC product range. In the event that the Group is unable to trade materially in line with its financial projections, further support would be sought from key shareholders, in particular the Directors who have agreed not to recall their loans in a manner that would prejudice the going concern of the Group and who have confirmed their ongoing support to the Group’s business activities for the forthcoming twelve months from signing these non-statutory Group financial statements, there is a proven track record of the ability of the group to raise additional finance. A material uncertainty exists regarding the ability of the group to remain a going concern without the continued financial support from key shareholders and the ability to raise additional finance through the placing of shares and issuance

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

of new and extended convertible bonds.

Consolidation and business combinations

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2025. The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Financial assets

The Group classifies its financial assets into the categories discussed below, depending on the purpose for which the asset was acquired. The Group only has financial assets classified as held at amortised cost. The financial assets comprise of trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held with banks, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position, unless there is a right of set-off between bank accounts across the Group. In this instance, the net cash position will be shown.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. Trade receivables are recognised initially at the transaction price and other financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue. They are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a historical provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those for which credit risk has increased significantly, lifetime expected credit losses are recognised, unless further information becomes available contrary to the increased credit risk. For those that are determined to be permanently credit impaired, lifetime expected credit losses are recognised.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

All Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

(i) *Financial liabilities and equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Equity instruments issued by the Group are recorded at the proceeds received, net of share issue costs.

Impairment

(i) Financial assets

The Group always recognises lifetime expected credit losses ("ECL") for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For assets that have indefinite lives, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 risk specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that has been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill

In December 2023 the acquisition of CRUSHMETRIC Limited gave rise to goodwill in the consolidated financial statements. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is assessed for impairment annually. Note 13 provides further detail on the impairment assessment for goodwill as at 31 March 2025.

Goodwill is initially measured at cost being the amount by which the aggregate of the consideration transferred that exceeds the net identifiable assets acquired and liabilities assumed. The Group assess for impairment of goodwill on an annual basis with any impairment charge recognised in the statement of comprehensive income.

Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Intangible assets separately acquired or acquired as part of a business combination are amortised over their estimated useful lives, using the straight-line basis, from the time they are available for use. The estimated useful lives for determining the amortisation charge take into account patent lives, where applicable, as well as the value obtained from periods of non-exclusivity. Asset lives are reviewed, and where appropriate adjusted, annually. Contingent milestone payments are recognised at the point that the contingent event becomes certain. Any development costs incurred by the Group and associated with acquired patents are written off to the income statement when incurred, unless the criteria for recognition of an internally generated intangible asset are met.

Where intangible assets are acquired by the Group from third parties the costs of acquisition are capitalised. Patents acquired with businesses are capitalised independently where they are separable and have an expected life of more than one year. Intangible assets are amortised on a straight-line basis over their estimated useful lives, not exceeding 20 years, except where the end of the useful economic life cannot be foreseen. Where intangible assets are not amortised, they are subject to annual impairment tests. Both initial valuations and valuations for subsequent impairment tests are based on established market multiples or risk-adjusted future cash flows discounted using appropriate interest rates. These future cash flows are based on business forecasts and are therefore inherently judgemental. Future events could cause the assumptions used in these impairment reviews to change with a consequent adverse effect on the future results of the Group.

Intangible assets in respect of the licence of the quality management system are amortised over their

useful lives which is assessed to be 10 years.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost includes the purchase price of the asset and any directly attributable costs for bringing the asset to its working condition for its intended use. The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located and an appropriate proportion of production overheads.

Gains or losses arising from the retirement or disposal of an item of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost 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:

Leasehold improvements	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Motor vehicles	5 years

Where components of an asset have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an item of property, plant and equipment and its residual value, if any, are reviewed annually.

Taxation

(i) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in profit or loss.

Cash equivalents

For the purpose of the cash flow statement, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost method and comprises all costs of purchase, costs of production or conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised costs less allowance for impairment of doubtful debts, except for where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Revenue recognition

The Group applies a variety of methods for revenue recognition, based on the principles set out in IFRS 15. The revenue and profits recognised in any reporting period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. In determining the amount of revenue and profits to record, and associated statement of financial position items (such as trade receivables and contract liabilities), management is required to review performance obligations within individual contracts.

Revenue is recognised either when the performance obligation in the contract has been performed (so ‘point in time’ recognition) or ‘over time’ as control of the performance obligation is transferred to the customer. For all contracts, the Group determines if the arrangement with a customer creates enforceable rights and obligations, which is in line with our contractual commitments.

For each performance obligation to be recognised over time, the Group applies a revenue recognition method that faithfully depicts the Group’s performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Group has promised to transfer to the customer. The Group has assessed the period of time principles as follows:

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the year ended 31 March 2025

- The customer becomes committed to pay the Group the moment that the goods are despatched and collected.
- The customer accepts that they are liable to pay for the transaction in full although it is the Group's responsibility to ensure that the shipment is in transit before invoicing.
- The customer can usually be invoiced on despatch/export and has an obligation to pay for services despite any problems that may arise in transit.
- The Group would hold any third party liable for any issues that happen in transit that is beyond its reasonable control.

Research and development costs

Research expenditure is recognised in the profit or loss account in the period which it is incurred.

Development expenditure is recognised in the profit or loss account in the period which it is incurred unless it meets the recognition criteria of IAS38 "Intangible Assets". Regulatory and other uncertainties generally mean that such criteria are not met. Where, however, the recognition criteria are met, intangible assets are capitalised and amortised on a straight-line basis over their useful economic lives from product launch.

Leases

IFRS 16 has introduced a single, on-balance sheet accounting model for lessees, eliminating the distinction between operating and finance leases. IFRS 16 has impacted how the Group accounts for leases under IAS 17.

The Group assesses at inception whether the contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessment includes whether:

- the contract involves the use of an identified asset.
- the Group has the right to obtain substantially all the economic benefits from the use of the asset throughout the contract period; and
- the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the individual entities incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability.

The incremental borrowing rate is calculated on a lease-by-lease basis. The weighted average lessee's borrowing rate applied to the lease liabilities is 3.1% (2023: 3.5%)

Depreciation is calculated on a straight-line basis over the length of the lease. The Group has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease. Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the statement of financial position in current liabilities and non-current liabilities depending on the maturity of the lease payments.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This has replaced the previous requirements to recognise a provision for onerous lease contracts.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit or loss. Short term leases are leases with a lease term of 12 months or less.

Foreign currency translation

The Group's consolidated financial statements are presented in Hong Kong dollars, which is also the Group's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit, or loss is also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(ii) Group companies

The functional currencies of all subsidiaries are Hong Kong dollars except for the subsidiary located in China which with Renminbi as their functional currencies.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided regularly to the Group's senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business. The Board of Directors are responsible for allocating resources and assessing the performance of the operating segments and makes strategic decisions for the Group.

Critical accounting estimates and judgment

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgement and other uncertainties affecting the application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the non-statutory group financial statements. The principal accounting policies are set out earlier in this note. Other than the assumptions relating to impairment test on goodwill, intangibles and inventory provisions, the Group believes the following critical accounting policies involve the most significant judgement and estimates used in the preparation of the non-statutory group financial statements.

Trade receivables

In accordance with IFRS 9, the Group assesses whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument both due within one year and more than one year as at the reporting date with the risk of a default occurring on the trade receivable as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. The Group has trade receivables less provision for expected credit losses at the year-end of HK\$157,784 (2023: HK\$9,411).

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in (i) design and production that integrates shape changing technology (“CRUSH”) into catalogue of products that is designed and invented by the artist and co-founder of CRUSHMETRIC Limited, Noah Deledda. This technology is built on his own series of dented aluminium can sculptures. (ii) the sale and distribution of the CRUSHMETRIC products through online and offline channels worldwide.

Prior to June 2022, the Group was principally engaged in (i) the provision of TCM healthcare services, including consultations and TCM therapies, through a network of clinics in Hong Kong, and (ii) the sale and distribution of TCM healthcare and skincare products through wholesale outlets and TCM clinics, the Group’s retail store in Hong Kong and other non-related TCM retail outlets, as well as directly to customers through the Group’s online store. Revenue recognised during the year can be analysed as follows:

	2024	2023
	HK\$	HK\$
Revenue		
Sales of TCM and healthcare and skincare products	7,920	7,656
Sales of CRUSHMETRIC products	3,970,000	6,876,430
Provision of TCM healthcare services (clinic)	-	-
	<u>3,977,920</u>	<u>6,884,086</u>
Other revenue		
Management fee	-	-
Others	46,850	46,191
Reverse the provision of accrued expenses	204,006	-
	<u>250,856</u>	<u>46,191</u>
Total revenue and other revenue	<u>4,228,776</u>	<u>6,930,277</u>

No single customer was responsible for generating greater than 10% of revenue during the current or preceding year.

Prior to June 2022, the board of directors has determined that the business should comprise two business segments, namely, (1) revenues from the sales of TCM healthcare and skincare products and (2) TCM healthcare business. After the business restructuring in 2022, the board of directors has determined that the business should add one more segment, namely the CRUSHMETRIC products.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

(a) Segment results, assets and liabilities

The business is organised into three segments as above (Two segments prior to 2022). The financial information for each segment is provided to the executive management where the performance of each segment is reviewed and decisions on the allocation of resources to each segment are made.

The TCM Healthcare Services: this segment comprises the provision of TCM healthcare services, including consultations and TCM therapies. Currently, the Group's activities in this segment are carried out only in Hong Kong.

The Sale and Distribution of TCM Healthcare and Skincare Products: this segment operates wholesale outlets and TCM clinics, the Group's retail store in Hong Kong and other non-related TCM retail outlets, as well as the Group's online store. Currently, the Group's activities in this segment are carried out only in Hong Kong and China.

The Sale and Distribution of CRUSHMETRIC Products (since 2022): this segment comprises the sale and distribution of the CRUSHMETRIC Products including the SwitchPens worldwide.

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade payables, other payables and accruals attributable to operating activities of the individual segments.

Revenue and expenses are allocated separately to each segment by reference to revenue generated by those segments and the expenses incurred by those segments. Segment 'other revenue and expenses' do not include the Group's interest income, finance costs and taxation expenses.

The table below explains the profit/(loss) from each segment and the contribution each makes towards the overall performance of the Group. In each case, finance costs, interest, taxation, head office and general expenses that are not specifically attributable to one or other of the segments, have been excluded. TCM activities were discontinued during the last financial year, balances were shown together as they were immaterial to the Group in the year ended 31 December 2023.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the period ended 31 March 2025 and 31 December 2023 is set out below:

	For the year ended 31 March 2025		
	Sale of TCM Healthcare and Skincare Products	Crushmetric Product	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue - External sales	7,920	3,970,000	3,977,920
Cost of sales	(6,152)	(1,175,561)	(1,181,713)
Impairment of inventory	-	-	-
Gross (loss)/profit	1,768	2,794,439	2,796,207
Other revenue	50	250,806	250,856
Distribution costs	-	(3,257,843)	(3,257,843)
Administrative expenses	(21,788)	(5,510,339)	(5,532,127)
Segment (loss)/profit	(19,970)	(5,722,937)	(5,742,907)
General group operating costs (including professional fees and directors' remuneration)			(2,319,573)
Operating loss			(8,062,480)
Impairment loss on goodwill			-
Impairment loss on trade receivable			143,031
Finance costs			(1,431,719)
Exchange difference on translating to presentation currency			493,467
Interest income			750
Loss before taxation			(9,350,418)
Taxation			-
Loss for the period			(9,350,418)

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

For the period ended 31 March 2025

	Sale of TCM Healthcare and Skincare Products	Crushmetric Product	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Additions of			
- Fixed assets	-	12,945	12,945
Depreciation of			
- Fixed assets	2,786	84,003	86,789
Segment assets	<u>106,071</u>	<u>240,570,960</u>	<u>240,677,031</u>
Segment liabilities	<u>6,290,813</u>	<u>34,704,637</u>	<u>40,995,450</u>

For the year ended 31 December 2023

	Sale of TCM Healthcare and Skincare Products	Crushmetric Product	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Revenue - External sales	7,656	6,876,430	6,884,086
Cost of sales	(6,046)	(1,881,696)	(1,887,742)
Gross (loss)/profit	<u>1,610</u>	<u>4,994,734</u>	<u>4,996,344</u>
Other revenue	1,711	44,480	46,191
Distribution costs	-	(3,768,216)	(3,768,216)
Administrative expenses	(9,056)	(6,639,903)	(6,648,959)
Segment (loss)/profit	<u>(5,735)</u>	<u>(5,368,905)</u>	<u>(5,374,640)</u>
General group operating costs (including professional fees and directors' remuneration)			<u>(2,114,448)</u>
Operating loss			(7,489,088)
Impairment loss on goodwill			(58,798,718)
Impairment loss on trade receivable			(171,135)
Gain on disposal of subsidiaries			242,357
Finance costs			(1,642,123)
Interest income			4,681
Loss before taxation			<u>(67,854,026)</u>
Taxation			(1,709)
Loss for the period			<u>(67,855,735)</u>

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

For the year ended 31 December 2023

	Sale of TCM Healthcare and Skincare Products	Crushmetric Product	Total
	HK\$	HK\$	HK\$
Additions of			
- Fixed assets	-	157,076	157,076
Depreciation of			
- Fixed assets	2,787	75,241	78,028
Segment assets	<u>287,499</u>	<u>237,972,963</u>	<u>238,260,462</u>
Segment liabilities	<u>6,011,675</u>	<u>29,825,171</u>	<u>35,836,846</u>

(b) Reconciliation of reportable segment assets and liabilities

	As at 31 March 2025	As at 31 December 2023
	HK\$	HK\$
Assets		
Reportable segment assets	240,677,031	238,260,462
Unallocated head office and corporate assets	701,616	2,405
Consolidated total assets	<u>241,378,647</u>	<u>238,262,867</u>
Liabilities		
Reportable segment liabilities	40,995,450	35,836,846
Unallocated head office and corporate liabilities.	19,346,116	17,793,218
Consolidated total liabilities	<u>60,341,566</u>	<u>53,630,064</u>

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

(c) Revenue analysis by country

In addition to this, the board also considers segmental information from a geographic perspective.

	For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
Hong Kong	3,699,255	6,465,333
Mainland China	231,210	405,333
Singapore	47,455	13,420
Total	3,977,920	6,884,086

5. ADJUSTED OPERATING PROFIT / (LOSS)

Adjusted operating loss is arrived at after charging/(crediting) the following:

	For the period from 1 Jan 2024 to 31 Mar 2025 <i>HK\$</i>	For the period from 1 Jan 2023 to 31 Dec 2023 <i>HK\$</i>
Auditor's remuneration	281,312	277,696
Cost of inventories expensed	1,178,200	1,880,048
Depreciation of fixed assets	86,789	78,028
Depreciation – right-of-use assets (note 24)	445,741	435,658
Impairment loss on inventory	-	-
Inventories written down	(2,638)	7,695
Royalty expenses	-	2,259
Exchange loss, net	116,491	723,045

6. FINANCE COSTS

	For the period from 1 Jan 2024 to 31 Mar 2025 <i>HK\$</i>	For the period from 1 Jan 2023 to 31 Dec 2023 <i>HK\$</i>
Interest	(1,414,720)	(1,631,155)
Lease interest expenses	(16,999)	(10,968)
	(1,431,719)	(1,642,123)

The interest is generated from borrowings stated in Note 22.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

7. TAXATION

A reconciliation between tax expenses/(credit) and accounting profit at applicable tax rate is as follows:

	For the period from 1 Jan 2024 to 31 Mar 2025 <i>HK\$</i>	For the period from 1 Jan 2023 to 31 Dec 2023 <i>HK\$</i>
(Loss)/profit before taxation	(9,350,418)	(67,855,735)
Loss multiplied by standard rate of corporation tax in Hong Kong of 16.5%, China 25% and Cayman Islands/BVI 0%	(1,762,957)	(1,674,164)
Effect of:		
Items not deductible for tax purposes	971,625	1,015,374
Items deductible for tax purposes	(1,106)	(13,295)
Tax concession	-	(3,000)
Losses carried forward	792,438	676,794
	<u>-</u>	<u>1,709</u>

The amount of losses that are available but in respect of which no deferred tax asset has been recognised amounted to HK\$110,980,944 (2023: HK\$107,529,242). No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

8. STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS) AND EMPLOYEE BENEFITS

	For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
Salaries, wages and other benefits	3,093,714	3,126,546
Contributions to defined contribution plan	236,051	245,641
	<u>3,329,765</u>	<u>3,372,187</u>

THE AVERAGE MONTHLY NUMBER OF EMPLOYEES, INCLUDING DIRECTORS DURING THE YEAR WAS AS FOLLOWS:

	For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
Management and administration	13	14
Sales	4	6
	<u>17</u>	<u>20</u>

9. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
Salaries and other short-term benefits:		
-Salaries and allowances	861,973	780,450
-Retirement scheme contribution	-	29,926
	<u>861,973</u>	<u>810,376</u>

The Directors of the Group represent the Group's key management personnel. Each of Messrs. Professor Chow Ching Fung, Ong Ban Poh Michael, Ow Kian Jing Dennis and Ivor Colin Shrago entered into a service agreement with the Group for an initial term commencing from 20 December 2010.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

10. EARNINGS PER SHARE – BASIC

Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year.

	For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
(Loss)/profit attributable to equity holders of parent entity	<u>(8,439,069)</u>	<u>(66,646,492)</u>
Number of shares		
Weighted average number of ordinary shares in issue	244,086,488	239,933,283
(Loss)/profit per share	<u>(0.04)</u>	<u>(0.28)</u>

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

11. FIXED ASSETS

	Leasehold improvements	Furniture & fixtures	Office equipment	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<i>Cost</i>				
At 1 January 2023		43,500	966,749	1,010,249
Disposals		(3,300)	(47,748)	(51,048)
Change in exchange difference		-	(7,122)	(27,888)
Additions	-	-	157,076	157,076
At 31 December 2023	-	40,200	1,068,955	1,109,155
<i>Accumulated Depreciation</i>				
At 1 January 2023		43,500	745,491	788,991
Disposals		(3,300)	(47,748)	(51,048)
Change in exchange difference		-	(6,817)	(6,817)
Charge for the year			78,028	78,028
At 31 December 2023	-	40,200	768,954	809,154
<i>Net book value</i>				
At 31 December 2023	-	-	300,001	300,001
<i>Cost</i>				
At 1 January 2024	-	40,200	1,068,955	1,109,155
Disposals	-	-	(947)	(947)
Change in exchange difference	-	-	(10,990)	(10,990)
Additions	-	-	12,945	12,945
At 31 March 2025	-	40,200	1,069,963	1,110,163
<i>Accumulated Depreciation</i>				
At 1 January 2024	-	40,200	768,954	809,154
Disposals	-	-	(63)	(63)
Change in exchange difference	-	-	(10,894)	(10,894)
Charge for the period	-	-	86,789	86,789
At 31 March 2025	-	40,200	844,786	884,986
<i>Net book value</i>				
At 31 March 2025	-	-	225,177	225,177

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

12. GOODWILL

	<i>As at 31 Mar 2025</i>	<i>As at 31 Dec 2023</i>
	<i>HK\$</i>	<i>HK\$</i>
Balance at the beginning of the period	235,194,874	293,993,592
Impairment for the period	-	(58,798,718)
Balance at the end of the period	<u>235,194,874</u>	<u>235,194,874</u>

On 15 December 2022 the Group acquired 100% of the equity interest of CRUSHMETRIC Limited which resulted in recognition of goodwill of HK\$293,993,592 (2023: 293,993,592). The cash generating unit associated with the goodwill is determined to be the assets associated with the investment in CRUSHMETRIC Limited.

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to a cash generating unit, being the net assets related to CRUSHMETRIC Limited.

The recoverable amounts of the cash generating unit has been determined based on a value-in-use calculation using discounted cash flow forecasts based on business plans prepared by management for a five-year period ending 31 July 2027.

The results of managements impairment review of goodwill, no indication of an impairment was found therefore management determined the carrying value of HK\$235,194,874 to be appropriate as at 31 March 2025.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

13. INTEREST IN SUBSIDIARIES

As at the date of this report, the Company has the following subsidiary undertakings which make up the Group:

Name of subsidiary	Date and place of incorporation	%	Acquired from:	Principal activities
Interests held directly by the Company:				
<i>Cash generating unit:</i>				
Miloc Pharmaceutical Limited	20 November 2009, BVI	100%	Professor Chow Ching Fung	TCM sales and distribution
Miloc Medical Limited	16 March 2010, BVI	100%	Professor Chow Ching Fung	TCM Clinics
<i>Non-cash generating unit:</i>				
Miloc Biotechnology Limited	6 November 2009, BVI	100%	Professor Chow Ching Fung and ONG, Ban Poh Michael	Research and development
CRUSHMETRIC Limited	21 November 2022, Seychelles	100%	ONG, Ban Poh Michael, Noah Deledda and Lim Yi Shenn	Investment holding company
Interests held indirectly by the Company:				
<i>Cash generating unit:</i>				
Crushmetric eCommerce (HK) Ltd	9 March 2011, HK	100%	N/A	Retailing and wholesaling of Consumer Products
Miloc Medical Jorl Limited	25 September 2007, HK	100%	Golden Ace Holdings Limited	Provision of Chinese medical services
Miloc Store Limited	18 October 2010, HK	100%	Golden Ace Holdings Limited	Retailing and wholesaling of health and related products
Star Collaboration (Guangzhou) Limited	28 April 2018, PRC	57%	N/A	Retailing and wholesaling of haircare products

Miloc Pharmaceutical (Guangzhou) Limited	26 June 2019, PRC	57%	N/A	Dormant
CRUSHMETRIC Limited	28 August 2020, HK	100%	N/A	Retailing and wholesaling of innovative products
CRUSHMETRIC INC	20 April 2022, USA	100%	N/A	Supporting center
Crushmetric Ecommerce (SEA) Pte Ltd	11 March 2023, Singapore	51%	N/A	Retailing and wholesaling of innovative products
<i>Non-cash generating unit:</i>				
Smart Falcon Limited	3 December 2009, BVI	100%	He Yu and Professor He Zhong Sheng	Holding company of the intellectual property rights, including the Rorricon patent
Richmond Group Limited	18 January 2018, HK	57%	ONG, Ban Poh Michael	Investment holding company
Crushmetric eCommerce Pte Ltd	28 August 2022, Singapore	100%	N/A	Dormant

All entities listed above are included in the CRUSHMETRIC Group Limited consolidation. All entities listed above have same financial year end, 31 December.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Details of the Group's subsidiaries that have material non-controlling interests are set out below:-

	<u>As at 31 Mar 2025</u>	<u>As at 31 Dec 2023</u>
Percentage of ownership interest held by non-controlling interests:		
Richmond Group Limited	43%	43%
Star Collaboration (Guangzhou) Limited	43%	43%
JC Plus Limited	-	40%
Crushmetric Ecommerce (SEA) Pte Ltd	49%	49%

	<u>As at 31 Mar 2025</u>	<u>As at 31 Dec 2023</u>
	<i>HK\$</i>	<i>HK\$</i>
Loss for the year allocated to non-controlling interests:		
Richmond Group Limited	(222,804)	(250,961)
Star Collaboration (Guangzhou) Limited	(195,078)	(532,773)
JC Plus Limited	-	(1,642)
Crushmetric Ecommerce (SEA) Pte Ltd	-	(172,106)

The following tables illustrate the summarized consolidated financial information of the above subsidiaries. The amounts disclosed are before any inter-company elimination:

	Richmond Group Limited	Star Collaboration (Guangzhou) Limited	Miloc Pharmaceutical (Guangzhou) Limited	Crushmetric Ecommerce (SEA) Pte Ltd
	2024	2024	2024	2024
	<i>HK\$</i>	<i>HK\$</i>	<i>CNY</i>	<i>SGD</i>
Revenue	-	136,857	87,675	8,126
Total expenses	518,192	1,543,680	121,683	10,488
Loss for the period	(518,149)	(939,262)	(48,364)	(8,606)
Current assets	10,043	111,993	196,297	15,330
Non-current assets	2,161,006	2,721	-	-
Current liabilities	2,673,428	13,866,921	243,472	41,890
Non-current liabilities	-	-	-	-
Net cash flow from / (used in) operating activities	(7,830)	(778,568)	(42,778)	3,022
Net cash flow from / (used in) investing activities	-	-	-	-
Net cash flow from / (used in) financing activities	-	672,869	-	-
Net change in cash and cash equivalents	(7,830)	(105,699)	(42,778)	3,022

CRUSHMETRIC Group Limited**Notes to the non-statutory group financial statements****For the period ended 31 March 2025****14. INVENTORIES**

The inventories as at 31 March 2025 and 31 December 2023 are as follows.

	As at 31 Mar 2025	As at 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
Finished goods	419,502	402,018
Provision for the perio	-	-
	<u>419,502</u>	<u>402,018</u>

15. TRADE RECEIVABLES

	As at 31 Mar 2025	As at 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
Trade receivable	157,784	9,411
Less: provision for impairment of trade receivables	(131,532)	-
	<u>26,252</u>	<u>9,411</u>

16. OTHER RECEIVABLES AND PREPAYMENT

	As at 31 Mar 2025	As at 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
Deposits paid	346,604	259,551
Other receivables	1,024,035	852,235
Prepayment	3,139	5,022
	<u>1,373,778</u>	<u>1,116,808</u>

Other receivables and Prepayment are expected to be recovered or recognised as expenses within one year. No amounts are past due or impaired.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

17. RELATED PARTY TRANSACTIONS

Transactions between the Group and its related parties as at 31 March 2025 and 31 December 2023 were as follows:

	As at 31 Mar 2025 <i>HK\$</i>	As at 31 Dec 2023 <i>HK\$</i>
Amount due to directors	<u>3,034,238</u>	<u>3,076,886</u>

The above amounts are due to director of Company subsidiaries. The amounts are unsecured, interest free and repayable on demand.

Apart from the above amount from/to the directors, transactions between the Group and its related parties for the year ended 31 March 2025 and 31 December 2023 were as follows:

	As at 31 Mar 2025 <i>HK\$</i>	As at 31 Dec 2023 <i>HK\$</i>
Purchases from Green Health Supplement International Company	-	
Deposit received from Green Health Supplement International Company	<u>775,580</u>	<u>775,580</u>

At 31 March 2025, the trade payable to Green Health Supplement International Company is HK\$1,170,674 (2023: HK\$1,170,674)

Professor Chow Ching Fung, executive director, is a partner in Green Health Supplement International Company, a partnership company.

18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 March 2025 and 31 December 2023 comprise:

	As at 31 Mar 2025 <i>HK\$</i>	As at 31 Dec 2023 <i>HK\$</i>
Cash at bank and in hand	<u>3,698,370</u>	<u>521,605</u>

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

19. SHARE CAPITAL

	As at 31 Mar 2025	As at 31 Dec 2023
	HK\$	HK\$
<i>Authorised,</i>		
100,000,000 ordinary shares of US\$0.001 each	780,000	780,000
<i>Allotted and fully paid:</i>		
No. of shares:		
At the beginning of the period	239,933,283	85,590,187
Issuance of shares	4,153,205	154,343,096
At the end of the period	<u>244,086,488</u>	<u>239,933,283</u>
Amount:		
At the beginning of the period	1,870,234	1,870,234
Issuance of shares	32,394	-
At the end of the period	<u>1,902,628</u>	<u>1,870,234</u>

20. OTHER PAYABLES AND ACCRUALS

	As at 31 Mar 2025	As at 31 Dec 2023
	HK\$	HK\$
Contract liabilities	18,360,280	13,935,379
Accruals and other creditors	18,937,321	16,947,872
	<u>37,297,601</u>	<u>30,883,251</u>

Significant changes in the contract liabilities balance during the period are as follows.

	As at 31 Mar 2025	As at 31 Dec 2023
	HK\$	HK\$
Revenue recognised that was included in the contract liability balance at the beginning of the period	340,426	40,819
Increases due to cash received, excluding amounts recognised as revenue during the period	5,184,064	134,145

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

21. BORROWINGS

	As at 31 Mar 2025 <i>HK\$</i>	As at 31 Dec 2023 <i>HK\$</i>
Due within one period	7,154,399	5,537,556
	<u>7,154,399</u>	<u>5,537,556</u>
Due in more than one year but less than two period	9,244,715	10,084,840
	<u>9,244,715</u>	<u>10,084,840</u>

On 19th July 2016, the Company issued a redeemable convertible loan note. The key terms are as follows:

Issue date : 19 July 2016
Maturity date : 19 January 2018
Interest rate : 0% for first 12 months, 6% thereafter

On 29th December 2017, the Company revised principal terms are as follows:

Maturity date : 19 January 2019
Interest rate : 7.2% per annum

On 19th January 2019, the Company revised principal terms are as follows:

Maturity date : 19 January 2020
Interest rate : 8% per annum

On 19th January 2020, the Company revised principal terms are as follows:

Maturity date : 19 July 2021
Interest rate : from 20th January 2020 to 19th October 2020, 7% per annum
from 20th October 2020 to 19th July 2021, 7.5% per annum

Maturity date : 19 January 2023
Interest rate : from 20th July 2021 to 19th April 2022, 7.5% per annum
from 20th April 2022 to 19th January 2023, 8.5% per annum

Maturity date : 19 July 2024
Interest rate : from 20th July 2023 to 19th October 2023, 9% per annum in which 6% payable in terms of cash and 3% payable in terms of the Issuer's share
from 20th October 2023 to 19th January 2024, 10% per annum in which 6% payable in terms of cash and 4% payable in terms of the Issuer's share

Maturity date : 19 January 2026
Interest rate : 9% per annum in which 6% payable in terms of cash and 3% payable in terms of the Issuer's share

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

The conversion right is contingent on whether the company achieves a listing on the main market of the London Stock Exchange. If this is achieved, then the note holder can convert the principal at a 20% discount to the opening share price on the main market

On the basis that the contingent derivative cannot be estimated reliably the company has present valued the cash flows inherent in the loan at the market rate of interest of 9% and assigned the residual value to the derivative instrument. At recognition, the fair value of the derivative element was HK\$345,000.

At 31 December 2023 and 31 March 2025 management considered listing was unlikely to be achieved and therefore the fair value of the derivative was HK\$nil. The interest on the loan to 31 March 2025 was HK\$453k (2023: HK\$753k).

On 24th February 2023, the Company issued a redeemable convertible loan note. The key terms are as follows:

Issue date :	24 February 2023
Maturity date :	23 February 2026
Interest rate :	10% per annum

On 11th April 2023, the Company issued a redeemable convertible loan note. The key terms are as follows:

Issue date :	11 April 2023
Maturity date :	10 April 2026
Interest rate :	10% per annum

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

22. CASH USED IN OPERATIONS

Reconciliation of loss before taxation to cash used in operations:

	For the period from 1 Jan 2024 to 31 Mar 2025	For the period from 1 Jan 2023 to 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
(Loss)/profit before taxation	(9,350,418)	(67,854,026)
Adjustments:		
Depreciation of fixed assets	532,530	513,686
Amortisation	-	-
Fixed asset write-off	884	-
Impairment loss for intangible assets and goodwill	-	58,798,718
Impairment loss of third party AR	-	(171,135)
Unrealised currency translation losses	487,415	282,498
Interest income	(750)	(4,681)
Interest expenses	1,414,720	1,642,598
Lease interest expenses	16,999	10,968
Operating cash flow before changes in working capital	(6,898,620)	(6,781,374)
(Increase) / decrease in inventories	(17,484)	(60,456)
(Increase) / decrease in trade receivables	(16,841)	747,860
(Increase) / decrease in other receivables and prepayments	(256,970)	200,688
(Decrease) / increase in trade payables	(154,325)	(1,069,933)
(Decrease) / increase in other payables and accruals	6,414,350	(1,077,769)
Decrease in amount due to directors	(42,648)	146,371
Cash generated/(used) in operations	(972,538)	(7,894,613)

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

23. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Reconciliation of liabilities arising from financing activities:

		31 December		Interest	Repayment	Fair value movement / interest accrued	31 March 2025
	Note	2023	Addition	paid	on leases		
Borrowings	22	15,622,396	-	(638,002)	-	1,414,720	16,399,114
Lease Liabilities	24	739,105	-	16,999	(467,878)	168,286	456,512

		31 December		Interest	Repayment	Fair value movement / interest accrued	31 December 2023
	Note	2022	Addition	paid	on leases		
Borrowings	22	5,106,144	9,286,544	(321,555)	-	1,551,263	15,622,396
Lease Liabilities	24	391,180		(192,476)	(427,935)	968,336	739,105

Right-of-use assets

The Group's leases consist primarily of property premises the average lease term is 2 years. There are no options to purchase at the end of the lease lives. In all cases, the lease obligations are secured by the lessor's title to the leased asset.

The right-of-use assets included in the statement of financial position are:

	Property Premises <i>HK\$</i>
Net carrying amount	
At 1 January 2023	718,150
At 31 March 2025	440,694
Depreciation charge at period end	
2025	445,742
2023	435,658

Total additions to right-to-use assets (through taking on new leases in the year were HK\$168,286 (2023: HK\$968,336).

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Lease liabilities included in the consolidated statement of financial position:

Current	364,340
Non-current	92,172
Total	456,512

Amount recognised in the consolidated income statement:

Depreciation on right-of-use Property Premises	445,741
Interest on lease liabilities	16,999
Total	462,740

The total cash outflow for leases during the current year was HK\$467,878 (2023: HK\$446,210), including HK\$16,999 (2023: HK\$18,275) of interest.

24. CAPITAL COMMITMENTS

The Company has formed a wholly owned subsidiary, in the People's Republic of China, MiLOC Pharmaceutical (Guangzhou) Limited, for which it has committed but has not yet contributed any capital. The registered capital of the subsidiary amounts to RMB1,000,000 (equivalent to approximately HK\$1,100,000).

25. FINANCIAL ASSETS AND RISK

The Group has exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk as a result of its operations. The Board of Directors has overall responsibility for establishing and monitoring the Group's risk management policies and processes. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

All treasury transactions are reported to and approved by the Board. The Group does not enter into or trade financial instruments for speculative purposes.

The principal risks to which the Group is exposed are market risk including currency risk, credit risk, liquidity risk and interest rate risk.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

The Group has the following categories of financial assets and liabilities at the reporting date:

	As at 31 Mar 2025	As at 31 Dec 2023
	<i>HK\$</i>	<i>HK\$</i>
Financial assets at amortised costs		
Trade receivables	26,252	9,411
Other receivables	960,908	839,781
Cash and cash equivalents	3,698,370	521,605
	<u>4,685,530</u>	<u>1,370,797</u>
 Financial Liabilities		
	Loans and other payables	Loans and other payables
Financial liabilities		
Trade payables	3,094,799	3,249,124
Lease liabilities	456,512	739,105
Borrowings	16,399,114	15,622,396
Amount due to directors	3,034,238	3,076,886
Accruals	12,150,083	10,755,598
	<u>35,134,746</u>	<u>33,443,109</u>

The carrying value of financial instruments included in the above table approximates to their fair value.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations and is primarily attributable to its trade receivables. Any impairment of doubtful receivables is estimated by the Group's management based on prior experience and the current economic environment. The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	As at 31 Mar 2025	As at 31 Dec 2023
	HK\$	HK\$
Trade receivables	26,252	9,411
Other receivables	960,908	839,781
Cash and cash equivalents	3,698,370	521,605
	<u>4,685,530</u>	<u>1,370,797</u>

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group has no significant concentration of credit risk.

Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices. The principal ways in which the Group is exposed to such fluctuations are through currency risk and interest rate risk.

Interest rate risk

The Group is exposed to interest rate risk on cash and cash equivalents. Assuming that all other variables remain constant, an increase of 100 basis points in interest rates would have increased equity and profit and loss by HK\$36,984 (2023: HK\$5,216). A corresponding decrease would have an equal but opposite effect.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. See going concern assessment within the Directors' Report. The contractual cash flows of financial liabilities are considered to be equal to their carrying amount in the balance sheet, and the maturities are all expected to be within one year.

CRUSHMETRIC Group Limited
Notes to the non-statutory group financial statements
For the period ended 31 March 2025

Liquidity risk (continued)

	As at 31 Mar 2025	As at 31 Dec 2023
	HK\$	HK\$
Financial liabilities due within one year		
Trade payables	3,094,799	3,249,124
Amount due to directors	3,034,238	3,076,886
Accruals	12,150,083	10,755,598
Lease liabilities	456,512	739,105
Borrowings	-	-
	<u>18,735,632</u>	<u>17,820,713</u>

The settlement of the financial liabilities due within one period is reliant on future Company fundraising, the sale of inventory and the collection of trade receivables.

Currency risk management

The Group is exposed to currency risk on financial assets of HK\$120,502 (2023: HK\$278,770) that are denominated in currencies other than Hong Kong dollars.

The Group operates mainly out of Hong Kong and its operations are denominated in Hong Kong dollar and a majority of the assets and liabilities are in that currency. The only fluctuation to the reporting currency of HK\$ would be in relation to the translation at the year end to the reporting currency.

The Group has used a sensitivity analysis technique that measures the estimated change to the income statement and equity of a 10% strengthening and weakening in HK\$ against all other currencies, with all other variables remaining constant. The sensitivity analysis includes only outstanding foreign currency denominated assets and liabilities and adjusts their translation at the balance sheet date for a 10% change in the applicable currency rate.

Under this assumption, with a 10% strengthening or weakening of HK\$ against all exchange rates, loss before taxation would have increased or decreased respectively by HK\$12,050 (2023: HK\$27,877).

26. CAPITAL MANAGEMENT

The Board's policy is to manage its overall capital so as to ensure that companies within the Group continue to operate as going concerns and to maintain sufficient financial flexibility to undertake planned productions and investments.

The Groups' capital structure currently represents the equity attributable to the shareholders together with the cash and cash equivalents. The structure is reviewed on a quarterly basis to ensure that an appropriate level of gearing is being used.

27. CHANGE OF YEAR END DATE

During the reporting period, the Company changed its financial year-end from 31 December to 31 March. This change was made to ensure that annual results more accurately reflect the business's performance..

As a result of this change:

- The current financial statements cover a period of 15 months from 1 January 2024 to 31 March 2025, instead of the usual 12 months.
- Comparative figures for the prior period may not be directly comparable.
- Necessary accounting adjustments have been made to reflect the extended reporting period.

28. POST BALANCE SHEET EVENT

CONVERTIBLE BONDS (“CB”)

Renewal of Convertible Bond : Principal Amount USD650,000

The Company is at the stage of negotiating the renewal terms of this CB. This CB will be renewed with closer terms as past years. All other terms remain unchanged.

PATENT

In addition to the Patent registered in the People's Republic of China, the Company has successfully registered with the Japan Patent Office with the Invention title "Deformable Sleeve Having Elastic Core Structure".

JAPAN EXHIBITION

The Company has held a special exhibition entitled "HOSOTEN Destruction & Creation: The World of Aluminum Can Art" in collaboration with the Museum of Package Culture operated by Toyo Seikan Group ("Toyo") from March 25 to April 30, 2025 in Tokyo, Japan. This special exhibition was inspired by the coincidental shapes of the diamond-cut cans manufactured by Toyo and the SwitchPen from CRUSHMETRIC.

NEW TENANCY AGREEMENT

On 16 September 2025, one of the group's subsidiaries, CRUSHMETRIC eCommerce (HK) Limited has signed a tenancy agreement with two years fixed terms for a new office located in Hong Kong.