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仍志集團控股有限公司
WISDOMCOME GROUP HOLDINGS LIMITED

(Continued in Bermuda with limited liability)

(Stock code: 8079)

SUPPLEMENTAL ANNOUNCEMENT TO
ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2025

Reference is made to the announcement of Wisdomcome Group Holdings Limited (the “**Company**”) dated 25 June 2025 (the “**Announcement**”) in relation to the annual results for the year ended 31 March 2025. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular (as defined below).

In addition to the information disclosed in the Announcement, the Board of Directors of the Company would like to provide to the shareholders of the Company and the potential investors with the following supplementary information.

(1) DETAILS OF IMPAIRMENT

A. Impairment on Property, Plant and Equipment and Right-of-use assets

Due to the significant loss incurred for the year ended 31 March 2025, the Company concluded that there was indication of impairment and conducted impairment assessment on property, plant and equipment and right-of-use assets with carrying amounts (before any impairment) as at 31 March 2025 of approximately HK\$8,049,000 and HK\$4,150,000, respectively. For the purposes of impairment testing, assets are grouped at each operating segment for which there are separately identifiable cash flows (CGUs). An impairment loss was recognised for the amount by which the carrying amount of the assets/CGU exceeds its recoverable amount. The estimated recoverable amounts of the CGU of money lending business operating segment and the CGU of groceries retail and wholesale business operating segment are lower than the respective carrying amounts of the CGUs.

Detailed breakdown of impairments on property, plant and equipment and right-of-use assets is as follows:-

	Property, plant and equipment <i>HK'000</i>	Right-of-use assets <i>HK'000</i>
Money lending	59	–
Groceries	<u>7,990</u>	<u>4,150</u>
Total	<u><u>8,049</u></u>	<u><u>4,150</u></u>

The recoverable amount of the CGU of money lending business and groceries retail and wholesale business operating segment has been determined based on a value in use (“VIU”) calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period.

The estimated recoverable amounts of the CGU of money lending business operating segment and the CGU of groceries retail and wholesale business operating segment are lower than the respective carrying amounts of the CGUs, the Group recognised impairment loss of approximately HK\$8,049,000 (2024: HK\$5,120,000) on property, plant and equipment, and impairment loss of approximately HK\$4,150,000 (2024: HK\$1,677,000) on right-of-use assets for the year ended 31 March 2025.

In particular, the impairment of property, plant and equipment of HK\$819,000 is applied to Union Raise and Pets Supermarket and there is no impairment of right-of-use assets applied to the same, and these impairment losses are consolidated into the accounts of the Company. The impairment of property, plant and equipment of HK\$243,000 is applied to Union Raise and HK\$576,000 is applied to Pets Supermarket.

The assumptions of property, plant and equipment and right-of-use assets considered having significant sensitivity effects in the valuation have been evaluated in arriving at the assessed value with key assumptions, they are listed as follows:-

- there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the operation of the subject assets;
- there will be no major changes in the current taxation laws in Hong Kong;
- there will be no material fluctuation of the finance costs and availability of finance in Hong Kong;

- the Group will fulfil all legal and regulatory requirements for the principal business;
- the development of the subject business interest will not be constrained by the availability of finance and there will be no material fluctuation of the finance costs;
- there will not be any adverse events beyond the control of the management of the Group, including natural disasters, catastrophes, fire, explosion, flooding, acts of terrorism and terrorism, epidemics and pandemics that may adversely affect the operation of the subject business assets;
- the future movement of exchange rates and interest rates will not differ materially from prevailing market rates;
- the Group will retain competent management, key personnel and technical staff for its operation and the relevant shareholders will support its ongoing operation;
- the explicit forecast period of the Group is 2 years. Cash flows beyond the two-year explicit forecast period are extrapolated using an estimated growth rate of 2.6%; and
- income tax expense projection is based on 16.5% Hong Kong corporate tax rate.

In summary, there is no significant change in the value of inputs or assumptions on property, plant and equipment and right-of-use assets for the year ended 31 March 2025. Details of the same are shown below:-

	2025		2024	
	Groceries Retail & Wholesales	Money lending	Groceries Retail & Wholesales	Money lending
Growth Rates	2.6%	2.6%	2.6%	2.6%
Profit Margin	30%	Note*	34.59%	Note*
Discount Rates	12.50%	11.42%	15.10%	12.24%

Note:

Type of loan	Range of interest rate per annum	
	2025	2024
Secured loan with properties (first charge and second charge)	14%-24%	13%-20%
Secured loan with car	10%-31%	10%-36%
Unsecured loan	5%-48%	5%-52%

Owing to heightened market competition, the profit margin has reduced from 34.59% to 30%. The change in growth rates and discount rates are affected by the macro environment.

B. Impairment on Goodwill

The Company intended to operate mortgage loans business through EC Star Finance Limited (“**EC Star**”) at the time of its acquisition in around November 2022. However, the post-COVID recovery in Hong Kong proved to be short-lived and both the proprietary data and public economic indicators in pointed to a deteriorating economic environment. In light of the ongoing economic downturn in Hong Kong in the past two years, the Company’s lending operations have experienced a significant slowdown. A substantial portion of the loan portfolio of the Company has deteriorated into non-performing assets, resulting in considerable financial losses.

As such, since 1 April 2025, EC Star has ceased its operation of money lending business. Its cessation of operation was strategic restructuring of the Company’s lending business, consolidating operations from two separate lending entities (EC Star and Yvonne Credit Service Co., Limited (“**Yvonne Credit**”)) into a single, centralized unit (Yvonne Credit) to enhance the efficiency and risk management of the money lending business. The impairment of goodwill was incidental to the restructuring for the purpose of maintaining viability and sustainability of the Company’s money lending business.

The assumptions of goodwill of EC Star considered having significant sensitivity effects in the valuation have been evaluated in arriving at the assessed value with key assumptions, they are listed as follows:-

- there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the operation of the subject business interest;
- there will be no major changes in the current taxation laws in Hong Kong;

- there will be no material fluctuation of the finance costs and availability of finance in Hong Kong;
- EC Star will fulfil all legal and regulatory requirements for the principal business;
- the development of the subject business interest will not be constrained by the availability of finance and there will be no material fluctuation of the finance costs;
- there will not be any adverse events beyond the control of the management of EC Star and the Company, including natural disasters, catastrophes, fire, explosion, flooding, acts of terrorism and terrorism, epidemics and pandemics that may adversely affect the operation of the subject business interest;
- the future movement of exchange rates and interest rates will not differ materially from prevailing market rates; and
- EC Star ceased operation from 1 April 2025.

The significant change in the value of inputs or assumptions from those previously adopted for impairment of goodwill is due to the cessation of operation of money business of EC Star by the Company since 1 April 2025.

The Group estimates the recoverable amount of the cash-generating units (“**CGU (or group of CGUs)**”) to which goodwill arose on the Group’s acquisition of EC Star on 8 November 2022 has been allocated, is the higher of the VIU or fair value less costs of disposal. The VIU calculation requires the Group to estimate the future cash flows expected to arise from the CGU (or group of CGUs) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

The seller of EC Star agreed to waive approximately HK\$1.344 million arising from the acquisition. Since the amount waived is approximately equal to the impairment on goodwill, the Group did not incur any overall loss.

As at 31 March 2025, the carrying amount of goodwill is HK\$nil (net of accumulated impairment loss of HK\$1,344,000).

C. Impairment on Loans and Advances

In respect of the impairment loss on loans and advances of HK\$2.9 million in the financial year ending 31 March 2025 mainly arising from the loan provided to Billion Dollar Cooperation Limited (“**Billion Dollar Corporation**”), despite that collaterals were obtained from Billion Dollar Corporation to secure the loan, the impairment was made as the Group adopted the requirements in respect of Expected Credit Loss (ECL) assessment set forth in HKFRS 9 issued by the HKICPA. According to sub-standard of internal credit rating of the Group, if borrowers’ ability to service their loans is in question and borrowers cannot rely entirely on normal business revenues to repay the principal and interest, impairment may be made on the loans. Losses may ensue even when collateral items or guarantees are invoked.

Yvonne Credit has followed its internal assessment and work procedure for grant of loans at the time of granting the loan to Billion Dollar Cooperation. For corporate borrowers, together with the loan application form setting out the borrower’s basic information, the following documents are required for review and verification:

1. Statutory record;
2. Business plan;
3. Legal search for the credit worthiness assessment; and
4. Valuation on the collaterals.

Yvonne Credit has also conducted interview with the management team of Billion Dollar Corporation to identify any credit and default risk and physically inspected the condition of the collateral received, Mercedes Benz 600 and obtained valuation from motor dealerships to confirm the valuation of the collateral.

For recovering the outstanding loans, the Company has issued demand letters to Billion Dollar Corporation and received repayment of approximately HK\$1.03 million in March 2025. The Company is in ongoing negotiation with Billion Dollar Corporation on potential debt restructuring, while concurrently looking for potential buyers for the relevant collaterals to recover the outstanding loan.

D. Impairment on financial assets

The impairment of financial assets mainly comprised of impairment loss on film. During the financial year ending 31 March 2025, the major investor of the film indicated that it was unable to reach agreement with relevant actors on the filming schedule and requested additional investment from the Group. Given the slow progress of the film, combined with the fact that the film industry was not as expected over the past two years and the market showed a downward trend, the Group has decided to stop investing in the film and disposed of the film right.

According to accounting treatment, the fair value through profit or loss of HK\$3.45 million was impaired for the year ended 31 March 2025.

The basis for the impairment is based on the relevant sale and purchase agreement.

(2) PROFIT GUARANTEE AND FOLLOW UP ACTIONS

Reference is made to the circular dated 19 April 2023 in relation to, *inter alia*, the acquisition of Union Raise and Pets Supermarket and the subscription of new shares under Specific Mandate A and Specific Mandate B (the “**Circular**”).

Each of Union Raise and Pets Supermarket recorded a loss of HK\$1.3 million respectively for the year ended 31 March 2024, and a loss of approximately HK\$2.8 million respectively for the year ended 31 March 2025. As both Profit Guarantee A and Profit Guarantee B are not met, each of Mr. Cheng and Ms. Li shall pay Shortfall A (as defined in the Circular) and Shortfall B (as defined in the Circular) of HK\$4,000,000 to Union Raise and Pets Supermarket respectively.

After careful consideration by the Board and upon conducting comprehensive review of Union Raise and Pets Supermarket’s performances, the Board has considered and assessed the possible alternative options of recovering Shortfall A and Shortfall B, including but not limited to (i) offsetting against the management fee to be paid by the Company to Mr. Cheng and Ms. Li, and (ii) repayment of Shortfall A and Shortfall B by Mr. Cheng and Ms. Li to the Company by instalments. Details of the follow-up actions taken by the Company are as follows:-

A. Legal proceedings against Mr. Cheng

In respect of Shortfall A, the Board has commenced the abovementioned actions and considered various repayment options with Mr. Cheng. During the management period, HK\$50,000 of the management fee has been paid to Mr. Cheng on 1 April 2025, and the remaining HK\$670,000 management fees have been used to offset against the outstanding amounts under Shortfall A. However, none of the other follow-up actions or repayment options are viable for Mr. Cheng. On 1 December 2025, the Company filed a statutory demand against Mr. Cheng to enforce the outstanding amounts of HK\$3,330,000 under Shortfall A. Further on 2 April 2026, the Company filed a bankruptcy petition against Mr. Cheng. The bankruptcy proceedings against Mr. Cheng is still on-going as at the date of this announcement.

As at the date hereof, Mr. Cheng has not repaid the amount of Shortfall A. The Company shall proceed to obtain bankruptcy order against Mr. Cheng and shall appoint receiver to take over his assets to recover Shortfall A and/or any amount he is due to the Company where appropriate.

B. Settlement Agreement with Ms. Li

In respect of Shortfall B, all of the management fees during the relevant management period amounting to HK\$720,000 have been used to offset against the outstanding amounts under Shortfall B owed by Ms. Li to the Company. Upon careful consideration by the Board, the Company and Ms. Li have entered into a settlement agreement in relation to the settlement of the remainder of Shortfall B (the “**Settlement Agreement**”), pursuant to which Ms. Li shall settle the remainder of Shortfall B amounting to HK\$3,280,000 in 11 monthly installments. The Company is of the view that entering into a settlement agreement with Ms. Li has a higher level of certainty and likelihood of recovering the outstanding amount owed by Ms. Li to the Company.

As at the date hereof, the Company has received a total of HK\$1,500,000 (being the total amount of five of the installments under the Settlement Agreement). As at the date of this announcement, the outstanding amount under the Settlement Agreement is HK\$1,780,000 and the last installment for Ms. Li to repay the outstanding amount is on or before 31 October 2026.

(3) CHANGE IN USE OF PROCEEDS FROM SUBSCRIPTION A AND SUBSCRIPTION B

The amount of net proceeds from Subscription A (as defined in the Circular) and Subscription B (as defined in the Circular) amounted to a total sum of HK\$15.2 million.

Part of the net proceeds from Subscription A and Subscription B have been fully utilized to finance Acquisition A and Acquisition B (as defined in the Circular) and as the general operational and working capital of Union Raise and Pets Supermarkets as intended. The use of another part of the net proceeds from Subscription A and Subscription B has been changed and was allocated to finance the money lending business of the Group and as general working capital of the Group and they have been fully utilized as at the date hereof.

Details of usage of the proceeds from Subscription A and Subscription B are as follows: -

Description	Intended use of Net Proceeds as disclosed in the Circular <i>HK\$'000</i>	Utilised Net Proceeds as of 30 June 2025 <i>HK\$'000</i>	Original allocation of Unutilised Net Proceeds as at 30 June 2025 <i>HK\$'000</i>	Revised allocation of Net Proceeds as at 30 November 2025 <i>HK\$'000</i>	Expected timeline for unutilised Net Proceeds
Financing acquisition of Union Raise	1,000	(1,000)	-	-	-
Operation and working capital of Union Raise					
• procurement of healthcare products and/or pet related products	2,000	(1,091)	909	-	-
• recruitment of staff responsible for the operation of Union Raise and/or the sales and marketing of its products	1,000	(1,000)	-	-	-
• launch of retail stores in Hong Kong	3,000	(592)	2,408	-	-
• general working capital of Union Raise	600	(600)	-	-	-
• Money lending business of the Group	-	-	-	3,317	By the end of 2025
Financing acquisition of Pets Supermarket	1,000	(1,000)	-	-	

Description	Intended use of Net Proceeds as disclosed in the Circular <i>HK\$'000</i>	Utilised Net Proceeds as of 30 June 2025 <i>HK\$'000</i>	Original allocation of Unutilised Net Proceeds as at 30 June 2025 <i>HK\$'000</i>	Revised allocation of Net Proceeds as at 30 November 2025 <i>HK\$'000</i>	Expected timeline for unutilised Net Proceeds
Operation and working capital of Pets Supermarket					
• procurement of healthcare products and/or pets related products	1,200	(687)	513	–	
• recruitment of staff responsible for the operation of Pets Supermarket and/or the sales and marketing of its products	1,500	(1,500)	–		
• launch of pets supermarket in Hong Kong and other cities within the GBA	3,500	(962)	2,538		
• general working capital of Pets Supermarket	400	(400)	–		
• Working capital of the Group	–	–	–	3,051	By the end of 2025
	<u>15,200</u>	<u>(8,832)</u>	<u>6,368</u>	<u>6,368</u>	

(4) OPERATION UPDATE ON BUSINESS PLAN OF UNION RAISE AND PETS SUPERMARKET

At the time of acquisition of Union Raise and Pets Supermarket, the Company intended to (i) source and procure healthcare products and pets products from local and overseas suppliers via Union Raise and Pets Supermarket, (ii) distribute the same through physical retail stores to be set up in Hong Kong by Union Raise; and (iii) launch their own pets supermarkets and/or pets boutiques in Hong Kong and the Greater Bay Area for Pets Supermarket.

The business models of Union Raise and Pets Supermarket are similar to the Company's existing groceries business. The groceries business encompasses the retail and wholesale of grocery products, including health supplements, pet-related items, frozen foods, and processed goods, primarily in Hong Kong with some extension to the Greater Bay Area. This segment focuses on providing affordable, high-quality essentials to consumers through an omnichannel approach, emphasizing convenience and product diversity to meet everyday needs.

For retail business, the goods are sold directly to end consumers, typically in smaller quantities and at marked-up prices to cover operational costs and generate profit. The source of products is from manufacturers or wholesalers and present them through various channels such as physical stores, online platforms, or pop-up shops. The model emphasizes customer experience, convenience, and product accessibility, often relying on branding, marketing, and personalized service to attract and retain shoppers. For wholesale business, goods are purchased in large quantities from manufacturers or producers and reselling them to retailers or other businesses at a lower per-unit cost. Operating within a business-to-business (B2B) framework, the Company act as intermediaries in the supply chain, facilitating the efficient distribution of products without typically engaging with end consumers.

A. Union Raise

Union Raise is principally engaged in the retail and trading of pet products and healthcare products. Its business nature revolves around offering health-oriented supplements for both humans and pets, such as vitamins, herbal extracts, and probiotics, targeting wellness-conscious individuals. The model involves sourcing products from local and overseas suppliers and distributing them via physical retail stores and an online platform, with a mix of retail sales and wholesale to broaden market reach. At the time of acquisition, the plan included expanding retail presence in Hong Kong, introducing new exclusive product lines, and securing long-term customer agreements to capitalize on rising pet ownership and health trends. However, due to economic constraints, the plan shifted toward cost efficiency, prioritizing online enhancements and product optimization rather than aggressive physical expansion.

Union Raise's customers are mainly pet owners and individuals aged over 20 seeking health supplements, sourced via retail stores, online sales, and wholesale channels in Hong Kong. Suppliers are local and overseas providers of specialized items like herbal products and probiotics, selected for quality and reliability to ensure product authenticity.

B. Pets Supermarket

Pets Supermarket operates similarly in the retail and trading of pet products and healthcare items, with a focus on premium pet care solutions like food, sanitizing products, and supplements. Its nature emphasizes comprehensive pet wellness, including items for nutrition and hygiene. The business model mirrors Union Raise, sourcing from diverse suppliers and selling through physical stores, boutiques, and ecommerce in Hong Kong and the Greater Bay Area for wider accessibility. Initial plans post-acquisition involved launching multiple stores and building supplier networks, but adjustments were made to focus on digital channels and margin improvement amid market challenges.

Pets Supermarket's customers include pet enthusiasts and wellness-focused consumers, attracted through stores, boutiques, and e-commerce in Hong Kong and the Greater Bay Area. Suppliers comprise local and international sources for pet food, supplements, and hygiene products, emphasizing premium and diverse offerings to meet varied needs.

Union Raise and Pets Supermarket commenced operations in April 2024. However, for the year ended 31 March 2025, each of Union Raise and Pets Supermarket recorded a loss of approximately HK\$2.8 million. Accordingly, the Company intends to restructure its current operations to improve performance, with an aim to optimizing resource allocation and positioning the Group for sustainable growth, focusing on cost efficiency, prioritizing online enhancements and product optimization rather than aggressive physical expansion.

With the assistance of Mr. Cheng and Ms. Li who have introduced chain stores to the Company to facilitate the expansion of the Company's retail network, and also introduced different types of products such as skincare and supplement products to the Company through its vast supplier network, Company has opened a retail shop at Ma On Shan mainly for sale of healthy products and skincare products in August 2025.

As at the date of this announcement, Mr. Cheng and Ms. Li are no longer the managers of Union Raise and Pets Supermarket and are not involved in their respective operations. The Group's current operations are mainly supervised and managed by Dr. Tsui Ka Kin, Kevin, the executive director of the Company.

The Company is of the view that the operating environment for the groceries business, Union Raise, and Pets Supermarket have evolved with persistent economic slowdowns, including reduced consumer disposable income and supply chain disruptions from geopolitical tensions. Shifts in consumer behavior, such as increased cross-border shopping for affordability, have impacted local demand for non-essential items like pet and health products. Future factors that might affect these businesses include ongoing high interest rates elevating costs, intensified competition eroding margins, and potential regulatory changes in import or retail sectors. Consumer caution amid uncertainty could limit growth, while opportunities from digital adoption and health trends may mitigate risks if economic conditions improve. The Company will monitor these elements closely, and may consider all kinds of factors so as to protect the interest of shareholders. The Company is also of the view that economy will slowly pick up and the pet market will rebound in the foreseeable future. The Company has been engaging in the business of selling pet-related products through its subsidiary, Bright Zone Corporation Limited for over five years. The Company has experience and understanding of the market of pet-related products. With its experience in pet-related products over the years, together with full control over the management and operations, the Company intends to integrate the businesses for the purpose of cost control and operational efficiency.

Save as disclosed in this announcement, the remaining contents of the Announcement remain unchanged.

By order of the Board
Wisdomcome Group Holdings Limited
Tsui Ka Kin, Kevin
Executive Director

Hong Kong, 29 May 2026

As at the date of this announcement, the Board comprises Mr. Law Ka Kei, Ms. Mo Ka Yan, Mr. Andre Pierre Lajeunesse and Mr. Tsui Ka Kin, Kevin as executive Directors; Ms. Ho Sau Ping, Pia and Mr. Ho Tak Yin as independent non-executive Directors.

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

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its publication and on the website of the Company at www.ecrepay.com.