

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

Commission File Number: 001-37649

FIEE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

04-2621506

(I.R.S. Employer
Identification No.)

Flat A1, 29/F, Block A, TML Tower, 3 Hoi Shing Road, Tsuen Wan, Hong Kong

(Address of Principal Executive Office) (Zip Code)

852-28166813

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12 (b) of the Act:

Title of Each Class	Trading Symbol	Name of Exchange on which Registered
Common Stock, \$0.01 par value	FIEE	The Nasdaq Capital Market

Securities Registered Pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of the shares of the registrant’s common stock, \$0.01 par value (“common stock”) on the Nasdaq Capital Market on June 30, 2025, the last business day of the registrant’s most recently completed second quarter, was approximately \$6.0 million.

The number of shares outstanding of the registrant’s common stock as of March 16, 2026 was 7,934,122 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement for the 2026 Annual Meeting of Stockholders, which is to be filed no later than 120 days after December 31, 2025, are incorporated by reference into Part III of this Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “Annual Report” or “Form 10-K”), including the information contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” as well as information contained in “Risk Factors” in Item 1A and elsewhere in this Annual Report, contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We intend that these forward-looking statements be subject to the safe harbor created by those provisions. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential” and similar expressions intended to identify forward-looking statements. These statements are only predictions and involve known and unknown risks, to continue as a going concern uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain and many factors that could cause or contribute to differences in our future financial results include, but are not limited to, risks associated with:

- our ability to meet listing requirements for The Nasdaq Stock Market LLC (“Nasdaq”), including the ability to satisfy the continued listing criteria of the Nasdaq;
- our ability to predict revenue and reduce costs related to our products or service offerings;
- general economic, financial market, and industry conditions;
- changes in laws, regulations, or regulatory enforcement priorities;
- competitive pressures and changes in market demand;
- our ability to execute our strategic initiatives and achieve anticipated benefits;
- operational risks, including technology and cybersecurity risks;
- risks related to acquisitions, dispositions, or other strategic transactions;
- supply chain, labor, and cost inflation risks;
- our ability to raise substantial additional capital to finance our planned operations and to continue as a going concern;
- the sufficiency of our capital resources and the availability of debt and equity financing;
- our reliance on the continued service of key employees;
- litigation, regulatory investigations, or other claims; and
- the other factors described under “Risk Factors” and elsewhere in this Annual Report.

Although we believe that the assumptions underlying the forward-looking statements contained in this Annual Report are reasonable, any of the assumptions could be inaccurate, and therefore there can be no assurance that such statements will be accurate. The risks, uncertainties and assumptions referred to above that could cause our results to differ materially from the results expressed or implied by such forward-looking statements include, but are not limited to, those discussed under the heading “Risk Factors” in Part I, Item 1A hereto and the risks, uncertainties and assumptions discussed from time to time in our other public filings and public announcements. All forward-looking statements included in this Form 10-K are based on information available to us as of the date hereof. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved. Furthermore, past performance in operations and share price is not necessarily indicative of future performance. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

As used in this Annual Report, the terms “we,” “us,” “our,” “FiEE” and the “Company” mean FiEE, Inc. (formerly, Minim, Inc.) and its wholly owned subsidiaries. All financial numbers are in U.S. dollars in this Annual Report unless otherwise noted.

PART I

ITEM 1 – BUSINESS

Overview

FiEE, Inc. (formerly, Minim, Inc.) was founded in 1977 as a networking company and historically delivered a comprehensive WiFi/Software as a Service (“SaaS”) platform to make connected homes safe and supportive for life and work. During this period, we held the exclusive global license to design, manufacture, and sell consumer networking products under the Motorola brand until 2023. Our legacy cable and WiFi products, including cable modems, routers, and mesh networking devices, were sold in leading retailers and e-commerce channels in the United States (“U.S.”)

Building upon our history in networking and software, we are currently transforming our operations as a digital service provider focused on integrating artificial intelligence (“AI”) and data analytics into content creation, digital authentication, and brand management. Our current business model leverages a cloud-based SaaS platform designed to support clients in developing, managing, and optimizing their digital presence across global platforms, including customized graphic and posts, short videos, and editorial calendars aligned with brand goals. Additionally, we offer comprehensive software development and maintenance services, delivering custom software solutions from system design and development to deployment and post-launch maintenance. In July 2025, we formally launched customized software services. This transition represents a strategic pivot toward high-growth, emerging technology sectors, including AI, blockchain, and the Multi-Channel Network (“MCN”) ecosystem.

On November 30, 2025, we completed the acquisition of Houren-Geiju Kabushikikaisha (“HGK”), a Japanese technology company specializing in digital authentication services for art collections. HGK leverages artificial intelligence and blockchain technology to provide artwork authentication, certification, and display services to individual and corporate clients. This acquisition introduces AI image recognition and blockchain authentication technologies to our service portfolio, further bolstering our technological capabilities and optimizing our comprehensive brand management solutions for customers.

Services Overview

Our services primarily consist of three core areas: (1) digital content and MCN services, (2) software development services, and (3) digital authentication services.

1. Digital Content Services

We provide digital content management solutions and brand growth strategies primarily through three service verticals: (1) digital account management, (2) content operations and growth analytics, and (3) community engagement and creator partnerships. Since March 2025, we have delivered full-cycle services to brand clients, offering full-service account management, content production, and targeted promotion to grow followers across key platforms. These services are structured to support clients at varying stages of digital development, from initial account setup to multi-platform brand promotion.

Digital Account Management

We offer a tiered set of service plans that support clients in establishing and maintaining digital accounts on international platforms. Services range from basic setup and content scheduling to advanced account search engine optimization (“SEO”), visual branding, and content performance analysis. Our service plans include:

- **Global Premium Plan:** Includes setup and management of up to three accounts, advanced account SEO strategies, brand visual design, production of over 120 posts and 24 short videos annually, monthly performance reporting, influencer or content creators marketing coordination, and unlimited strategic consultations.

- **Overseas Basic Plan:** Includes setup of one account, quarterly SEO updates, production of 48 posts and 12 short videos annually, and competitor analysis twice a year.
- **Starter Plan:** Includes basic account setup, fundamental SEO support, 24 posts per quarter, and access to simplified performance analytics.

Content Operations and Analytics

We support content creation through customized graphic, text, and video production tailored to the client's brand objectives. We also provide strategic guidance on traffic growth, including trend-based optimization and third-party influencer or content creators engagement. Monthly reporting includes performance metrics, competitor benchmarking, and actionable recommendations for content refinement.

Community Engagement

We offer daily interaction support for managed accounts, including fan engagement, comment moderation, and community management. Crisis response strategies and tailored growth support are available based on client needs.

MCN Partnerships

We operate under a centralized content ownership and monetization model in its partnerships with influencers or content creators. Under its standard agreement:

- We retain full operational control over content, monetization, and analytics.
- Influencers or creators are provided with content review windows via a proprietary software platform.
- All commercial revenue, including advertising, livestream sales, and brand collaborations, is retained by us, unless otherwise contractually negotiated.
- Intellectual property rights to produced content are held by us, with attribution to influencers or creators.
- Termination prior to the end of a contract term may require compensation related to audience development and data transfer.

2. Software Development Services

We provide customized software development services, offering clients end-to-end software solutions from system design and development to deployment and post-launch maintenance. Our software development services cover the following scope:

- **Requirements Analysis and System Design:** Collaborating closely with clients to understand their business needs and design corresponding software architecture.
- **Customized Coding and Development:** Performing software coding according to design specifications to ensure functionality meets client expectations.
- **System Integration and Deployment:** Integrating newly developed software with clients' existing systems and completing deployment.
- **Testing and Quality Assurance:** Conducting comprehensive functional testing, performance testing, and security testing.
- **Post-Launch Maintenance and Support:** Providing ongoing software maintenance, updates, and technical support.

3. Digital Authentication Services

We provide digital authentication services leveraging AI and blockchain technology for artworks. Our service offerings include:

- **Micro Identification:** Providing unique microscopic feature identification and tracking for artworks.
- **AI Image Recognition Authentication:** Utilizing AI algorithms to authenticate artworks.
- **Blockchain Certification:** Recording authentication results on blockchain to provide tamper-proof certification.
- **Digital Passport Generation:** Creating unique digital identity passports for artworks, recording their provenance, authentication history, and ownership information.

Intellectual Property

Our success and ability to compete depend in part on our ability to protect our proprietary technology and intellectual property. We rely on a combination of patent, copyright, trademark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights. As of December 31, 2025, through our acquisitions of HGK and certain assets of Suzhou Yixuntong Network Technology Co., Ltd. (“Yixuntong”), we have expanded our portfolio to include eight domain names, three patents, and 23 software copyrights, primarily focused on blockchain, content identification, and enterprise management technologies. In addition, we have four patent applications under temporary protection in Hong Kong, primarily focused on edge computing, ERP systems, and AI content tracing.

Competition

The markets in which we operate are highly competitive and rapidly evolving. Our digital content and MCN services compete with global digital marketing agencies, social media management platforms, influencer or content creators marketing networks, and in-house marketing teams. Our software development services compete with multinational consulting firms, regional development agencies, and offshore engineering providers. Our digital authentication services compete with traditional art authentication firms, emerging blockchain-based certification providers, and technology-enabled provenance tracking platforms. Competition is based on factors, including technological innovation, service quality, pricing, brand recognition, platform relationships, scalability, data analytics capabilities, and the ability to deliver measurable results. Many of our competitors have significantly greater financial, technical, and marketing resources than we do.

Customers and Geographic Information

Our customers include those individuals or entities seeking to grow their online presence as influencers or content creators, software development services, or digital authentication services. For the fiscal year ended December 31, 2025, substantially all of our revenue was generated from customers located outside the U.S.

During the year ended December 31, 2025, the Company had one customer with an outstanding accounts receivable balance that accounted for approximately 75% of the Company’s total accounts receivable. Most of this accounts receivable was acquired through the Company’s acquisition of its Japanese subsidiary, HGK, on November 30, 2025, and accounted for approximately 1% of the Company’s revenue for the year ended December 31, 2025. Other than this customer, the Company did not have sales or outstanding accounts receivable balances that accounted for 10% or greater individually of the Company’s total revenues and accounts receivable, respectively.

Government Regulation

Our business is subject to evolving laws and regulations in the U.S., Japan, and Hong Kong. These include data privacy laws (such as Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices, Japan’s Act on the Protection of Personal Information (APPI), and Hong Kong’s Personal Data (Privacy) Ordinance), as well as emerging legal frameworks governing artificial intelligence and blockchain-based authentication services. Additionally, our MCN services are subject to the private rules and terms of service of third-party platforms. Changes in these laws or platform policies could significantly impact our operations.

Strategy

We position ourselves at the intersection of technology and creative production, offering infrastructure and strategic support to clients seeking to expand their visibility in digital markets. We leverage emerging technologies such as AI, blockchain, and predictive analytics to enhance content workflows and improve reach and engagement outcomes for our clients. By building long-term, meaningful relationships, we aim to help customers leverage our services to establish stronger connections in the global marketplace, driving revenue growth as our customers expand their usage and upgrade their service plans.

Our growth strategy is built upon the transition to a high-margin digital service model. While our digital content services require ongoing investment, they yield higher gross margins; meanwhile, our digital authentication services, leveraging AI and blockchain, present significant potential for high-margin scalability. As part of these strategic initiatives, we have successfully integrated blockchain technology into our digital authentication services, providing clients with tamper-proof certification and digital passport services. This advancement is aimed at enhancing the security, transparency, and efficiency of our global systems. Through the acquisition of HGK, we have introduced AI image recognition technology to our service portfolio, applying it to the digital authentication field to provide high-precision authenticity identification for artworks.

Looking forward, we will continue to pursue strategic acquisition opportunities in key sectors such as AI, hardware, and the Internet of Things (“IoT”), and gradually establish a global community of Key Opinion Leaders throughout the digital content lifecycle through the integration of our authentication technology.

Nasdaq Trading Status

Throughout 2024 and early 2025, we faced several Nasdaq compliance listing challenges regarding stockholders’ equity and corporate governance. Following an appeal of a delisting determination and a stay granted by the U.S. Securities and Exchange Commission (the “SEC”) in February 2025, the Nasdaq Hearings Panel (the “Panel”) reviewed our compliance.

On May 29, 2025, the Panel determined we had regained compliance with the Nasdaq Listing Rules, including the minimum stockholders’ equity requirement. Trading of our common stock, par value \$0.01 per share (“Common Stock”), resumed on Nasdaq on June 2, 2025, under the symbol “FIEE.”

We are currently subject to a Nasdaq “Panel Monitor” until May 2026. Additionally, we received a public reprimand regarding a “Change of Control” violation related to transactions in February 2025, which the Panel determined was inadvertent and not materially adverse to our stockholders.

Material Contracts

Securities Purchase Agreement

On February 18, 2025, we entered into a Securities Purchase Agreement (the “February 18, 2025 SPA”) with David Lazar (“Lazar”), Cao Yu, Hu Bin, and Youxin Consulting Limited (together with Cao Yu and Hu Bin, the “Purchasers”), which was subsequently amended on May 9, 2025. Pursuant to the February 18, 2025 SPA and its amendment, Lazar, a former director and officer of the Company, sold to the Purchasers (i) 2,219,447 shares of Series A Preferred Stock, \$0.001 par value per share (“Series A Preferred Stock”), (ii) a warrant to purchase up to 2,800,000 shares of Common Stock at an exercise price of \$1.00 per share, subject to adjustment (the “Warrant”), and (iii) certain receivables owed by the Company to Lazar associated with the transaction (the “Lazar Receivables”). On April 10, 2025, Lazar transferred an additional 31,258 shares of Series A Preferred Stock to the Purchasers (together with the previously transferred shares and the Warrant, the “Securities”). The aggregate purchase price for the Securities and the Lazar Receivables was \$500,000, of which \$300,000 was directed by Lazar to be paid to the Company in exchange for a convertible note. The Purchasers also paid a \$3.4 million earn-out payment to Lazar for his efforts related to the Company’s successful relisting on Nasdaq. The Lazar Receivables were forgiven for the benefit of the Company, and the Warrant was amended and restated to eliminate the beneficial ownership limitations previously contained therein.

May 2025 Private Placement

On May 9, 2025, we entered into, and simultaneously closed the transactions under, Securities Purchase Agreements with Cao Yu and Hu Bin, pursuant to which we sold an aggregate of 2,439,025 shares of Common Stock—1,585,366 shares to Cao Yu for a purchase price of \$2,600,000 and 853,659 shares to Hu Bin for a purchase price of \$1,400,000.

Helena Purchase Agreement

On May 9, 2025, we entered into a Purchase Agreement with Helena Global Investment Opportunities I Ltd. (“Helena”). The Company has the right to sell to Helena up to \$15,000,000 of Common Stock over a 36-month period ending in May 2028. The purchase price is based on 95% of the lowest volume-weighted average price (“VWAP”) during the three (3) trading days following Helena’s receipt of the Common Stock shares. As consideration, we issued as a commitment fee, shares of Common Stock to Helena valued at \$150,000, consisting of 71,572 Common Stock shares on May 14, 2025, and 71,572 Common Stock shares on August 11, 2025.

Lazar Warrant

On July 2, 2025, we issued a warrant to purchase 404,002 shares of Common Stock with an exercise price of \$0.01 per share, subject to stockholder approval (the “July 2025 Warrant”), to Lazar. This warrant was issued as compensation for services provided by Lazar. The July 2025 Warrant was exercised on a cashless basis for 402,347 shares of Common Stock on November 12, 2025.

Lazar Convertible Note

We entered into an unsecured promissory note (the “Convertible Note”) effective February 18, 2025, with Lazar, a stockholder holding more than 10% of the Company’s outstanding shares and a former officer and director. Under the terms of the Convertible Note, the Company agreed to pay Mr. Lazar a principal amount of \$300,000, bearing interest at an annual rate of approximately 4.34%, with the full principal and interest balance due on or before December 31, 2025. Upon stockholders’ approval, the Convertible Note will automatically convert into shares of Common Stock at a conversion price of \$0.25 per share. On October 27, 2025, following approval of the Company’s stockholders, the Convertible Note automatically converted into 1,235,814 shares of Common Stock pursuant to its terms.

Suzhou Yixuntong Network Technology Co., Ltd. Acquisition

Following a non-binding letter of intent signed on March 25, 2025, the Company’s subsidiary, FiEE (HK) Limited, entered into an Asset Purchase Agreement on June 30, 2025, with Hongyan Sun, Lin Lin, and Yixuntong. The Company acquired fixed assets and intellectual property, including patents and copyrights, for a total purchase price of \$1.4 million.

Houren-Geiju Kabushikikaisha Acquisition

On November 27, 2025, the Company entered into a Share Purchase Agreement to acquire 100% of the equity of HGK for \$500,000 and a concurrent Technology Transfer Agreement to acquire its software copyrights and patents for \$3 million. The aggregate purchase price was \$3.5 million and the acquisition closed on November 30, 2025.

January 2026 Private Placement

On January 30, 2026, the Company entered into a Securities Purchase Agreement with certain investors to issue an aggregate of 394,476 shares of Common Stock at \$5.07 per share for gross proceeds of approximately \$2 million. The transaction is expected to close at the end of the first quarter of 2026.

Human Capital

As of December 31, 2025, we had three full-time employees, engaged five independent contractors and consultants to support our functions such as investment research, technology architecture design, financial analysis, and compliance, and employed 33 dispatched workers, focusing on key functional areas, including technology, business operations, and content creation.

Our human capital management objectives are focused on attracting, developing, and retaining talent capable of driving innovation and sustaining long-term growth. We plan to utilize a comprehensive compensation approach that includes cash compensation and equity incentives to align employee interests with the long-term objectives of the Company and its stockholders. We believe our competitiveness depends significantly on our ability to successfully identify, cultivate, and manage a team with deep expertise at the intersection of technology and creative media.

Our people are our most important asset. Accordingly, we are committed to fostering an inclusive, safe, and healthy work environment with clear career development pathways. Our total compensation package is designed to remain market-competitive and includes competitive base salaries, performance-based bonuses, comprehensive health and welfare benefits, retirement plans, and paid time off. We maintain a regular performance review process that is directly linked to compensation adjustments and career advancement opportunities.

Public Information

Our corporate website is www.fiee.com. We make available free of charge, through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act and proxy statements for our annual meeting of stockholders, as soon as reasonably practicable after each such material is electronically filed with or furnished to the SEC. We also routinely post these reports, recent news and announcements, financial results and other important information about our business on our website at www.fiee.com. Information contained on our website does not constitute part of, and is not incorporated by reference into, this Annual Report.

Persons interested in obtaining information on the Company may read and copy any materials that we file with the SEC. The SEC maintains an Internet website at www.sec.gov that contains our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act and proxy statements for our annual meeting of stockholders, and other information regarding issuers that file electronically with the SEC.

Also available on the Company's website, www.fiee.com, are its Ethics Code of Conduct, Corporate Governance Guidelines, the charter of each active committee of the Board of Directors of the Company (the "Board"), and other materials outlining the Company's corporate governance practices. If we amend or grant a waiver of one or more of the provisions of our Ethics Code of Conduct, we intend to satisfy the requirements under Item 5.05 of Form 8-K regarding the disclosure of amendments to or waivers from provisions of our Ethics Code of Conduct that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting the required information on our corporate website at www.fiee.com.

ITEM 1A. – RISK FACTORS

Risks Related to Our Company

Since completing our business transformation in 2025, our new business has generated revenue and achieved profitability, but still faces risks of sustained growth and market competition.

Prior to the cessation of our legacy business, our principal assets, product offerings and business primarily consisted of providing consumer networking and intelligent software services. After the closing of the transactions under the February 18, 2025 SPA, we transitioned to becoming a digital service provider, and our current business operations focus on integrating AI and data analytics into content creation and brand management. In 2025, we completed our strategic transformation from a legacy networking hardware business to a digital service provider. As of the end of 2025, we completely ceased our legacy operations, with our current business focused on three core areas: digital content services, software development services, and digital authentication services. In 2025, we successfully launched our new business, generating service fees of \$6.2 million, and achieving profitability. However, our new business is still in the early stages of development and faces risks such as intensified market competition, rising customer acquisition costs, and accelerated technological iteration. There can be no assurance that we will be able to maintain our current growth rate and profitability or that our current business model will prove to be sustainable over the long term.

Our limited operating history in our new lines of business makes it difficult to evaluate our prospects and increases the risk of investment.

We have a limited operating history in our current digital services business. Although we generated revenue and achieved profitability in 2025, our historical results in our legacy business are not indicative of our future performance. Investors should consider our prospects in light of the risks and uncertainties frequently encountered by companies in new and rapidly evolving markets, including risks related to customer adoption, pricing models, technological change, and competitive dynamics. If our assumptions regarding market demand or our growth strategy prove incorrect, our business, financial condition and results of operations could be materially adversely affected.

We may fail to execute our business plan successfully.

Our stockholders may lose their investment if we fail to execute our business plan successfully. Our prospects must be considered in light of certain risks and uncertainties, including but not limited to, competition, changes in client preferences, cybersecurity risks, our ability to attract and retain qualified personnel, and general economic conditions. We cannot guarantee that we will be successful in executing our business plan. If we fail to execute our business plan successfully, our stockholders may lose their entire investment.

The Company may suffer from a lack of availability of additional funds.

We expect to have ongoing needs for working capital in order to fund operations and to continue to expand our operations. To that end, we may be required to raise additional funds through equity or debt financing. However, there can be no assurance that we will be successful in securing additional capital on favorable terms, if at all. If we are successful, whether the terms are favorable or unfavorable, there is a potential that we will fail to comply with the terms of such financing, which could result in severe liability for our Company. If we are unsuccessful, we may need to (a) initiate cost reductions; (b) forego business development opportunities; (c) seek extensions of time to fund liabilities; or (d) seek protection from creditors. In addition, any future sale of our equity securities would dilute our existing stockholders and could be at prices substantially below prices at which our shares currently trade. Our inability to raise capital could require us to significantly curtail or terminate our operations altogether. We may seek to increase our cash reserves through the sale of additional equity or debt securities. The sale of convertible debt securities or additional equity securities could result in additional and potentially substantial dilution to our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations and liquidity. In addition, our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties.

In addition, if we are unable to generate adequate cash from operations, and if we are unable to find sources of funding, it may be necessary for us to sell all or a portion of our assets, enter into a business combination, or reduce or eliminate operations. These possibilities, to the extent available, may be on terms that result in significant dilution to our stockholders or that result in our stockholders losing all of their investment in us.

Our acquisition strategy creates risks for our business.

We expect that we will pursue acquisitions of other businesses, assets or technologies to grow our business. We may fail to identify attractive acquisition candidates or we may be unable to reach acceptable terms for future acquisitions. We might not be able to raise enough cash to compete for attractive acquisition targets. If we are unable to complete acquisitions in the future, our ability to grow our business will be impaired.

We may pay for acquisitions by issuing additional shares of our Common Stock, which would dilute our stockholders, or by issuing debt, which could include terms that restrict our ability to operate our business or pursue other opportunities and subject us to meaningful debt service obligations. We may also use significant amounts of cash to complete acquisitions. To the extent that we complete acquisitions in the future, we likely will incur future depreciation and amortization expenses associated with the acquired assets. We may also record significant amounts of intangible assets, including goodwill, which could become impaired in the future. Acquisitions involve numerous other risks, including:

- difficulties integrating the operations, technologies, services and personnel of the acquired companies;
- challenges maintaining our internal standards, controls, procedures and policies;
- diversion of management's attention from other business concerns;
- over-valuation of acquired companies or assets;
- litigation resulting from activities of the acquired company, including claims from terminated employees, customers, former stockholders and other third parties;
- insufficient revenues to offset increased expenses associated with the acquisitions and unanticipated liabilities of the acquired companies;
- insufficient indemnification or security from the selling parties for legal liabilities that we may assume in connection with our acquisitions;
- entering markets in which we have no prior experience and may not succeed;
- risks associated with foreign acquisitions, such as communication and integration problems resulting from geographic dispersion and language and cultural differences, compliance with foreign laws and regulations and general economic or political conditions in other countries or regions;
- potential loss of key employees of the acquired companies; and
- impairment of relationships with clients and employees of the acquired companies or our clients and employees as a result of the integration of acquired operations and new management personnel.

Our reliance on AI and data analytics exposes us to unique operational and ethical risks.

Our current business model focuses on integrating AI into content creation and brand management. AI technologies are complex and rapidly evolving. We may face risks related to biased algorithms, “hallucinations” in AI-generated content, or the inadvertent use of intellectual property in our training models. If our AI solutions produce inaccurate, offensive, or infringing content, our reputation could be severely damaged, and we could be subject to legal liability. Furthermore, as AI regulations emerge globally, we may incur significant costs to ensure compliance with new laws governing AI transparency and accountability.

Cybersecurity incidents or data breaches could disrupt our operations and harm our reputation.

Our business involves the collection, processing, storage, and transmission of proprietary and potentially sensitive data. We rely on internal systems and third-party service providers, including cloud-based infrastructure, to support our operations. Cybersecurity incidents, including hacking, phishing, ransomware attacks, or insider misconduct, could result in unauthorized access to, disclosure of, or loss of data. Any such incident could result in regulatory investigations, litigation, indemnity obligations, reputational damage, and significant remediation costs. In addition, increased regulatory scrutiny regarding data privacy and cybersecurity may result in additional compliance costs. A significant cybersecurity breach could materially adversely affect our business, financial condition, and results of operations.

We may be unable to scale our operations successfully.

Our growth strategy will place significant demands on our management and financial, administrative and other resources. Operating results will depend substantially on the ability of our officers and key employees to manage changing business conditions and to implement and improve our financial, administrative and other resources. If we are unable to respond to and manage changing business conditions, or the scale of our operations, then the quality of our services, our ability to retain key personnel, and our business could be harmed.

Our success depends on the continued efforts of our senior management and key technical personnel

Our success depends on the continued service of our senior management, as well as the continued contributions of key technical personnel supporting our MCN operations, AI-driven content creation, and blockchain-based digital authentication. As we operate at the forefront of next-generation digital services, the demand for qualified professionals with specialized skills in these emerging fields is exceptionally high, and competition for such talent is intense. We invest significant resources in recruiting and training our employees, and the loss of one or more of our executive officers or key technical personnel could delay the development of new offerings, impair our ability to respond to technological advancements, and materially and adversely affect our business, financial condition, and results of operations.

We are subject to stringent and evolving laws and regulations regarding data privacy and cybersecurity.

As a digital service provider focusing on data analytics and digital authentication, we collect, process, and store significant amounts of sensitive data. We are subject to various federal, state, and international laws, such as the GDPR and CCPA, regarding data privacy. Any failure, or perceived failure, by us to comply with these laws, or any security breach resulting in the unauthorized release of data, could result in significant fines, litigation, and a loss of customer trust, which would materially and adversely affect our business.

We may suffer from a lack of liquidity.

By incurring indebtedness, we subject ourselves to increased debt service obligations which could result in operating and financing covenants that would restrict our operations and liquidity. This would impair our ability to hire the necessary senior and support personnel required for our business, as well as carry out our acquisition strategy and other business objectives.

The requirements of remaining a public company may strain our resources and distract our management, which could make it difficult to manage our business.

We are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory requirements is time-consuming and expensive and could have a negative effect on our business, results of operations and financial condition.

We are required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”) and if we fail to continue to comply, our business could be harmed, and the price of our securities could decline.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act require an annual assessment of internal control over financial reporting, and for certain issuers an attestation of this assessment by the issuer’s independent registered public accounting firm. The standards that must be met for management to assess the internal control over financial reporting as effective are evolving and complex, and require significant documentation, testing, and possible remediation to meet the detailed standards. We expect to incur significant expenses and to devote resources to compliance regarding Section 404 of the Sarbanes-Oxley Act on an ongoing basis. It is difficult for us to predict how long it will take or how costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. As a result, we may not be able to complete the assessment and remediation process on a timely basis. We have identified a material weakness in our internal control over financial reporting, as described elsewhere in this Annual Report. Although we are implementing a remediation plan, there can be no assurance that our remediation efforts will be successful. If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, which could materially adversely affect the market price of our Common Stock.

We have identified a material weakness in our internal control over financial reporting, which resulted in our disclosure controls and procedures being ineffective as of December 31, 2025. If we fail to fully remediate this material weakness, our financial reporting could be adversely affected and investor confidence could decline.

In the course of preparing our financial statements for the quarter ended June 30, 2025, management identified a material weakness in our internal control over financial reporting due to insufficient accounting staffing during the Company’s restructuring and new business launch. During the first half of 2025, we did not maintain a sufficient complement of personnel with an appropriate degree of knowledge and experience to fulfill internal control and financial reporting responsibilities. This resulted in reduced review capabilities and prior-period errors, which have since been corrected.

As a result of this material weakness, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2025. Although we have taken steps to remediate the material weakness, including hiring additional qualified accounting personnel with SEC expertise, enhancing review and approval procedures, providing additional training, and implementing ongoing monitoring processes, the material weakness will not be considered remediated until the enhanced controls operate for a sufficient period of time and management has concluded, through testing, that the controls are effective.

If our remediation efforts are not successful, or if additional material weaknesses are identified in the future, we may be unable to conclude that our internal control over financial reporting is effective. This could result in additional errors in our financial statements, future restatements, delays in required filings, regulatory scrutiny, loss of investor confidence, and a decline in the market price of our Common Stock.

Our disclosure controls and procedures were not effective as of December 31, 2025, and if we are unable to maintain effective disclosure controls and procedures in the future, investors may lose confidence in our reported financial information.

As disclosed in this Annual Report, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2025 due to the material weakness in internal control over financial reporting described above. Although we are actively implementing remediation measures, there can be no assurance that these efforts will be successful or that additional deficiencies will not be identified.

Effective disclosure controls and procedures are necessary to ensure that information required to be disclosed in our SEC reports is recorded, processed, summarized, and reported within required time periods. Any failure to maintain effective disclosure controls could result in late filings, inaccurate reporting, regulatory action, or harm to our reputation, which could materially adversely affect our business and the market price of our Common Stock.

Changes in U.S. laws and regulations related to companies with connections to Hong Kong or the PRC could limit our ability to maintain our Nasdaq listing or access U.S. capital markets.

U.S. regulatory authorities, including the SEC and the Public Company Accounting Oversight Board (“PCAOB”), have adopted rules that increase disclosure requirements and regulatory scrutiny of U.S.-listed companies with operations or affiliations in Hong Kong or the PRC. Although we are currently compliant with applicable Nasdaq listing requirements and U.S. securities laws, future legislative or regulatory actions—such as expanded audit inspection requirements, data security reviews, or restrictions under the Holding Foreign Companies Accountable Act—could impose additional compliance burdens or create uncertainty regarding our continued eligibility to list our securities on a U.S. exchange.

If U.S. regulators are unable to inspect or investigate our auditors or operations to their satisfaction, or if future rules impose additional restrictions on companies with international ties, our Common Stock could be subject to trading prohibitions or delisting, which would materially and adversely affect investors.

Economic instability, inflation, global conflicts, or public health crises could adversely affect our business.

Global economic uncertainty, inflationary pressures, rising interest rates, armed conflicts, trade disputes, and public health emergencies could negatively impact customer spending, capital markets activity, and overall business confidence. These macroeconomic and geopolitical conditions may reduce demand for our services, increase our operating costs, disrupt supply chains or third-party service providers, and limit our access to financing. Any prolonged downturn in global or regional economic conditions could materially adversely affect our business, financial condition, and results of operations.

Our financial condition, results of operations and cash flow may be adversely affected by changing economic conditions, including interest rates and inflation, and other factors beyond our control.

In recent years, the global economic market has experienced cyclical or episodic downturns, and worldwide economic conditions remain uncertain and volatile, as a result of current geopolitical conditions including conflicts in the Middle East, the ongoing Russia-Ukraine War and geopolitical tensions between China and Taiwan, instability in the U.S. and global banking systems, a high inflation environment, the imposition of tariffs or other trade barriers and the risk of retaliatory actions or prolonged trade conflict, the downgrading of the U.S.’s credit rating and the possibility of an economic slowdown. A decline in economic conditions, such as a recession, an economic downturn, and/or inflationary conditions in our markets, can adversely and negatively impact our customers and potential customers in a manner that could adversely affect our financial condition, results of operations and cash flow.

Our operations could be adversely impacted by civil unrest, acts of war or terrorism, other criminal activities, infectious disease outbreaks or other unexpected events, including natural disasters, outside our control.

Our operations are always subject to adverse impacts resulting from civil unrest, acts of war, hostilities or acts of terrorism or other criminal activities. Such events may result in a temporary decline in the number of customers who seek our services or in our employees’ ability to perform their job duties. In addition, such events may temporarily interrupt our ability to provide our services. The occurrence of any such event and/or a disruption of our operations as a result may adversely affect our financial condition, results of operations and cash flow.

Risks Related to Our Common Stock

We have previously failed to comply with Nasdaq's continued listing requirements, and as a result, our Common Stock was suspended from trading on Nasdaq. Although we have resolved these issues and resumed trading, we may face delisting risks in the future, which has had and will continue to have a material effect on us and our stockholders.

We previously faced Nasdaq delisting risk but have resolved all deficiencies and resumed trading. From June 2024 to May 2025, we faced the risk of delisting from Nasdaq. In April 2025, we appointed independent directors and established board committees, resolving governance deficiencies. On May 29, 2025, the Panel determined that the Company is in compliance with listing rules, and our Common Stock resumed trading on Nasdaq on June 2, 2025, under the symbol "FIEE." As of December 31, 2025, we have satisfied all applicable Nasdaq continued listing requirements.

However, a Nasdaq "Panel Monitor" has been implemented under Nasdaq Listing Rule 5815(d)(4)(A) for a period of one year from May 29, 2025, which will expire on May 29, 2026. During this period, if the Company becomes deficient with respect to any Nasdaq continued listing requirement, it will not have the opportunity to submit a compliance plan and may face delisting proceedings. There can be no assurance that we will be able to continuously satisfy all Nasdaq listing requirements in the future. If our Common Stock were to be delisted, the liquidity and market price of our securities could be materially adversely affected, and investors may find it more difficult to buy or sell our Common Stock.

A large portion of our Common Stock is controlled by a small number of stockholders.

A large portion of our Common Stock is held by a small number of stockholders, including shares held by Youxin Consulting Limited, a Hong Kong company wholly controlled by our Chief Executive Officer, Li Wai Chung, and shares held by our Chief Financial Officer, Cao Yu, Hu Bin, one of the three purchasers under the Purchase Agreement, and Elements Corporate Services Limited. As a result, these stockholders are able to influence the outcome of stockholder votes on various matters, including the election of directors and extraordinary corporate transactions including business combinations.

Furthermore, any additional equity financing or purchases of additional shares of our Common Stock from these stockholders may further reduce the public float and liquidity of our Common Stock which can in turn affect the market price of our Common Stock.

The interests of our large stockholders may differ from or conflict with the interests of our other stockholders. In addition, our large stockholders are not subject to any contractual restrictions on their ability to acquire additional shares of our Common Stock. This concentration of stock ownership may adversely affect the trading price for our Common Stock to the extent that investors perceive disadvantages in significant ownership of or control over the affairs of the Company.

The sale of the additional shares of Common Stock could cause dilution as well as the value of our Common Stock to decline.

The sale of a substantial number of shares of our Common Stock, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish. Further, if we do sell or issue more Common Stock, any investors' investment in us will be diluted. Dilution is the difference between what you pay for your stock and the net tangible book value per share immediately after the additional shares are sold by us. If dilution occurs, any investment in our Common Stock could seriously decline in value.

Our Common Stock price may decrease due to factors beyond our control.

The stock market from time to time has experienced extreme price and volume fluctuations, which have particularly affected the market prices for early-stage companies and which often have been unrelated to the operating performance of the companies. These broad market fluctuations may adversely affect the market price of our stock if a trading market for our stock ever develops. If our stockholders sell substantial amounts of their stock in the public market, the price of our stock could fall. These sales also might make it more difficult for us to sell equity, or equity-related securities, in the future at a price we deem appropriate.

The market price of our stock may also fluctuate significantly in response to, but not limited to, the following factors, most of which are beyond our control:

- variations in our quarterly operating results,

- changes in general economic conditions,
- changes in market valuations of similar companies,
- announcements by us or our competitors of significant acquisitions, strategic partnerships or joint ventures, or capital commitments; and
- poor reviews from equity research analysts.

Any such fluctuations may adversely affect the market price or value of our Common Stock, regardless of our actual operating performance. As a result, stockholders may be unable to sell their shares, or may be forced to sell them at a loss.

Our Common Stock is subject to the application of the “penny stock” rules which could adversely affect the market price of our Common Stock and increase transaction costs to sell those shares.

The SEC has adopted Rule 3a51-1 which establishes the definition of a “penny stock,” for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15c-9 requires:

- that a broker or dealer approve a person’s account for transactions in penny stocks, and
- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person’s account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person, and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and that the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination and
- states that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the “penny stock” rules. This may make it more difficult for investors to dispose of our Common Stock and cause a decline in the market value of our stock.

The market price for our Common Stock is particularly volatile which could lead to wide fluctuations in our share price. You may be unable to sell your Common Stock at or above your purchase price, or at all, which may result in substantial losses to you.

The market for our Common Stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than that of a seasoned issuer for the indefinite future. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our Common Stock regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our Common Stock will be at any time, or as to what effect the sale of shares or the availability of Common Stock for sale at any time will have on the prevailing market price.

Because we will likely issue additional shares of our Common Stock, investment in the Company could be subject to substantial dilution.

Investors' interests in the Company will be diluted and investors may suffer dilution in their net book value per share when we issue additional shares. We are authorized to issue 60,000,000 shares of Common Stock. We anticipate that a substantial portion of our future funding, if any, will be in the form of equity financing from the sale of our Common Stock. If we sell or issue more Common Stock, any investors' investment in the Company will be diluted. Dilution is the difference between what you pay for your stock and the net tangible book value per share immediately after the additional shares are sold by us. If dilution occurs, any investment in the Company's Common Stock could seriously decline in value.

The Financial Industry Regulatory Authority ("FINRA") sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, FINRA has adopted FINRA Rule 2111 that requires a broker-dealer to have reasonable grounds for believing that an investment is suitable for a customer before recommending the investment. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our Board.

If we are unable to comply with the financial reporting requirements mandated by the SEC's regulations, investors may lose confidence in our financial reporting and the price of our Common Stock, if a market ever does develop for it, could decline.

If we fail to maintain effective internal controls over financial reporting, our ability to produce timely, accurate and reliable periodic financial statements could be impaired. If we do not maintain adequate internal control over financial reporting, investors could lose confidence in the accuracy of our periodic reports filed under the Exchange Act. Additionally, our ability to obtain additional financing could be impaired and a lack of investor confidence in the reliability and accuracy of our public reporting could cause our stock price to decline.

We are a "smaller reporting company" and the reduced reporting requirements applicable to smaller reporting companies may make our Common Stock less attractive to investors.

We are a smaller reporting company as defined in the Exchange Act. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

We cannot predict whether investors will find our Common Stock less attractive because we may rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our stock price may be more volatile or decline.

ITEM 1B. – UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. – CYBERSECURITY

Risk Management and Strategy

We have developed and are continuing to refine our processes for assessing, identifying, and managing material risks from cybersecurity threats. These processes are integrated into our overall enterprise risk management framework. Our approach to cybersecurity risk management includes:

- **Identification & Assessment:** We utilize external tools to monitor our information systems and perform periodic vulnerability assessments.
- **Third-Party Risk:** We conduct security reviews of material third-party service providers who have access to our sensitive data or critical systems.
- **Integration:** Cybersecurity risks are evaluated alongside other operational and financial risks during our annual risk assessment process led by management.

As of December 31, 2025, we are not aware of any risks from cybersecurity threats, including previous cybersecurity incidents, that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition.

Governance Board Oversight

Our Board has primary responsibility for the oversight of risks from cybersecurity threats. The Board receives annual reports from management regarding our cybersecurity posture, potential threats, and any incidents that may have occurred.

Management's Role

Management is responsible for the day-to-day assessment and management of cybersecurity risks.

- Our cybersecurity efforts are led by our Chief Technology Officer, who has 10 years of experience in Information Technology.
- Management has established processes to monitor the prevention, detection, mitigation, and remediation of cybersecurity incidents, including regular software patch updates, system access rights management, log monitoring and data backup and employee information security training.
- Significant cybersecurity matters are escalated to the Board of Directors as necessary.

ITEM 2 – PROPERTIES

The Company's principal executive offices are located at Flat A1, 29/F, Block A, TML Tower, 3 Hoi Shing Road, Tsuen Wan, Hong Kong, and are leased from a third party pursuant to a lease agreement. We believe that these facilities are adequate for our current operations and that we will be able to obtain additional or alternative facilities on commercially reasonable terms if and when necessary.

ITEM 3 – LEGAL PROCEEDINGS

In the course of our business, we are involved in litigation and legal matters from time to time. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. We accrue liabilities for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. We do not believe that any such matters, individually or in the aggregate, will have a material adverse effect on our business, financial condition, results of operations, or cash flows.

ITEM 4 – MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 – MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock is currently traded on Nasdaq under the symbol “FIEE.”

Holders

As of March 16, 2026, there were 7,934,122 shares of our Common Stock outstanding and 51 holders of record of our Common Stock.

Dividend Policy

We have never declared or paid cash dividends on our capital stock and do not plan to pay any cash dividends in the foreseeable future. Our current policy is to retain all of our earnings to finance future growth.

Repurchases by the Company

During the quarter ended December 31, 2025, we did not repurchase any shares of our Common Stock.

ITEM 6 – SELECTED FINANCIAL DATA - [Reserved]

ITEM 7 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and related notes included in this Annual Report. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties including those discussed under Part I, Item 1A, “Risk Factors.” These risks and uncertainties may cause actual results to differ materially from those discussed in the forward-looking statements.

Overview

We historically delivered comprehensive WiFi/Software as a Service platform to make everyone’s connected home safe and supportive for life and work. We continue to grow and expand our SaaS operations as a digital service provider focused on integrating AI and data analytics into content creation and brand management. In addition to our SaaS solutions, we now also offer customized software development services and digital authentication services.

As part of our ongoing strategic initiatives, we are actively planning to develop and integrate blockchain technology into our operations in the future. Through the acquisition of HGK, we have successfully applied blockchain technology to our digital authentication services. This advancement is aimed at enhancing the security, transparency, and efficiency of our services and systems.

In line with our growth strategy, we are also targeting potential acquisitions in key sectors such as AI, hardware, and the IoT. The acquisitions completed in 2025 have enabled us to strengthen our technological capabilities and expand our market presence. These strategic initiatives reflect our commitment to innovation and expansion, positioning us for long-term growth and success in emerging industries.

Additionally, we are exploring entry into the MCN business. Our goal is to serve as a bridge between influencers or content creators and the global market, facilitating valuable connections and expanding our reach in this rapidly evolving digital space.

These strategic initiatives reflect our commitment to innovation and expansion, positioning us for long-term growth and success in emerging industries.

Key Factors Affecting Our Performance

Generally, our gross margin depends on a number of factors, including the type of service and customer category. Digital content services tend to have higher gross margins but require ongoing investments; software development services have gross margins that depend on project complexity; digital authentication services, leveraging AI and blockchain technologies, have high gross margin potential.

Our future growth is largely dependent on our ability to acquire new customers, which is crucial for expanding our SaaS - MCN digital services, software services, and digital authentication services. This will rely on the effectiveness of our marketing and sales efforts to reach teams and organizations across diverse industries. The success of our growth strategy, as well as our future prospects, hinges on our ability to attract and retain new customers. While we see a substantial market opportunity in the MCN business, continued investment in sales and marketing, research and development, and customer support will be essential to further grow our international customer base.

In order to sustain and expand our existing customer base, we prioritize ensuring that our customers continue to derive value from our services. By building long-term, meaningful relationships, we aim to help customers leverage our services to establish stronger connections in the global marketplace. As they increasingly recognize the value we provide, we expect them to expand their usage and upgrade their service plans, driving revenue growth within our current customer base. This approach underpins our strategy to enhance both customer retention and revenue growth over time.

Results of Operations

The following table sets forth certain financial data derived from our consolidated statements of operations for the years ended December 31, 2025 and 2024 presented in absolute dollars and as a percentage of revenues, with dollars and percentage change year over year. There can be no assurance that the current trend will continue in future periods.

	Years ended December 31,				Change	
	2025		2024		\$	%
Revenues	\$ 6,193,616	100.0%	\$ 639,893	100.0%	\$ 5,553,723	867.9%
Cost of revenue	840,018	13.6	432,634	67.6	407,384	94.2
Gross profit	5,353,598	86.4	207,259	32.4	5,146,339	2,483.0
Operating expenses:						
Selling and marketing	418,011	6.7	66,171	10.3	351,840	531.7
General and administrative	3,337,649	53.9	2,062,441	322.3	1,275,208	61.8
Research and development	47,419	0.8	113,294	17.7	(65,875)	(58.1)
Vendor liability forgiveness, net of asset transfers	-	-	2,200,929	344.0	(2,200,929)	(100.0)
Total operating expenses	3,803,079	61.4	4,442,835	694.3	(639,756)	(14.4)
Operating income (loss)	1,550,519	25.0	(4,235,576)	(661.9)	5,786,095	(136.6)
Total other income (expense)	(29,881)	(0.5)	82	-	(29,963)	(36,540.2)
Income (loss) before income taxes	1,520,638	24.6	(4,235,494)	(661.9)	5,756,132	(135.9)
Income taxes	448,204	7.2	(11,216)	(1.8)	459,420	(4,096.1)
Net income (loss)	\$ 1,072,434	17.3%	\$ (4,224,278)	(660.2)%	\$ 5,296,712	(125.4)%

Comparison of Fiscal Years 2025 and 2024

The following table sets forth our revenues by product and the changes in revenues for fiscal year ended December 31, 2025, as compared to fiscal year ended December 31, 2024:

	Years ended December 31,			
	2025	2024	\$ Change	% Change
Cable Modems & gateways	\$ -	\$ 638,804	\$ (638,804)	(100.0)%
Other networking products	-	1,089	(1,089)	(100.0)
SaaS – MCN digital services	5,275,761	-	5,275,761	N/A
Software services	588,811	-	588,811	N/A
Digital authentication services	329,044	-	329,044	N/A
Total	\$ 6,193,616	\$ 639,893	\$ 5,553,723	867.9%

Revenues

Our total revenues increased year-over-year by \$5.6 million or 867.9%. The increase in revenues primarily reflects the Company's strategic transition from legacy hardware operations to SaaS solutions, with a new business model focusing on integrating AI and big data into content creation and brand management. Notably, during March 2025, we successfully secured our first customer orders and generated initial sales, marking a critical milestone in the strategic pivot. Our target clients are individuals or entities seeking to grow their online presence as influencers or content creators.

As of December 31, 2025, we onboarded approximately 800 customers, corresponding to SaaS – MCN digital service fees totalling \$6.8 million, of which \$5.3 million was recognized as revenue.

Building on this momentum, we introduced customized software services in July 2025. As of December 31, 2025, we secured contracts totalling \$1.2 million for customized software services, a portion of which was recognized as revenue in the current period based on the progress of completion. As of December 31, 2025, we successfully signed contracts with 13 customers for these services, with related accounts receivable amounting to \$589 thousand.

Through the acquisition of HGK in November 2025, we added the ability to provide digital authentication services. As of December 31, 2025, digital authentication services generated \$329 thousand in revenue, serving one corporate client and 38 individual clients. This business leverages AI and blockchain technology to provide authentication, certification, and display services for artworks, further diversifying our revenue streams.

Cost of Revenue and Gross Margin

Cost of revenue for the year ended December 31, 2024 consisted primarily of the following: the cost of direct labor; the cost of finished products from our third-party manufacturers; overhead costs, including purchasing, product planning, inventory control, warehousing and distribution logistics; third-party software licensing fees; inbound freight; import duties/tariffs; warranty costs associated with returned goods; write-downs for excess and obsolete inventory; and costs attributable to the provision of service offerings.

Cost of revenue for the year ended December 31, 2025 consisted primarily of the following: the cost of direct labor; amortization of certain acquired intangibles and software development costs, outsourced authentication service costs, and costs attributable to the provision of service offerings.

The increase in gross profit was attributable to higher revenue in 2025, largely resulting from the lack of revenue in 2024 due to the termination of the Motorola license. Our gross margin can be affected by a number of factors, including fluctuation in labor cost, foreign exchange rates, sales returns, changes in average selling prices, end-user customer rebates and other channel sales incentives, changes in our cost of revenue due to fluctuations and increases in prices paid for components, overhead costs, inbound freight and duty/tariffs, conversion costs, and charges for excess or obsolete inventory.

The following table presents revenues and gross margin, for the periods indicated:

	Years ended December 31,			
	2025	2024	\$ Change	% Change
Revenues	\$ 6,193,616	\$ 639,893	\$ 5,553,723	867.9%
Cost of revenue	\$ 840,018	\$ 432,634	\$ 407,384	94.2%
Gross margin	86.44%	32.4%		

Gross margin increased in fiscal 2025 compared to the prior fiscal year, primarily due to a notable turnaround in the Company's profitability since the third quarter of fiscal 2025. The first half of fiscal 2025 was characterized by an initial investment and strategic positioning phase, with the implementation of increased operational capacity and a successful diversification into new, higher-margin service lines commencing in July 2025. The improvement in gross margin was primarily contributed by the MCN digital services revenue stream, which leverage AI and other technologies to reduce reliance on human labor, resulting in significantly higher margins compared to traditional service models. As a result, the Company achieved a substantial increase in its gross margin. The benefits of this strategic shift and enhanced scale are clearly reflected in the consolidated results for fiscal 2025.

Selling and Marketing

Selling and marketing expenses consist primarily of advertising, trade shows, corporate communications and other marketing expenses, product marketing expenses, outbound freight costs, amortization of certain intangibles, personnel expenses for sales and marketing staff, technical support expenses, and facility allocations. The following table presents sales and marketing expenses, for the periods indicated:

	Years ended December 31,			
	2025	2024	\$ Change	% Change
Selling and marketing	\$ 418,011	\$ 66,171	\$ 351,840	531.7%

Sales and marketing expenses increased by \$352 thousand in fiscal 2025, as compared to the prior year, primarily due to the Company's business transformation. In 2024, the Company was in a transition period with reduced legacy operations, resulting in low sales support costs. In 2025, with the full launch of new business operations, the Company increased marketing activities and investments to promote its digital content services, software development services, and digital authentication services.

General and Administrative

General and administrative expenses consist of salaries and related expenses for executives, finance and accounting, human resources, information technology, professional fees, including legal costs associated with defending claims against us, allowance for doubtful accounts, facility allocations, and other general corporate expenses. The following table presents general and administrative expenses, for the periods indicated:

	Years ended December 31,			
	2025	2024	\$ Change	% Change
General and administrative	\$ 3,337,649	\$ 2,062,441	\$ 1,275,208	61.8%

General and administrative expenses increased by \$1.3 million, or 61.8%, to \$3.3 million for the year ended December 31, 2025, compared to \$2.0 million for the year ended December 31, 2024. This increase was primarily driven by \$1.1 million in non-cash warrant issuance costs recognized in the third quarter of 2025. The remaining increase was attributable to expanded business operations following our strategic transformation, including higher professional fees and personnel costs associated with launching and scaling our new digital content, software development, and digital authentication services. These increases were partially offset by continued cost discipline and operational efficiencies realized from our transition away from legacy hardware operations.

Future general and administrative expense increases or decreases in absolute dollars are difficult to predict due to the lack of visibility of certain costs, including legal costs associated with defending claims against us, and other factors.

Research and Development

Research and development expenses consist primarily of personnel expenses, payments to suppliers for design services, safety and regulatory testing, product certification expenditures to qualify our products for sale into specific markets, prototypes, IT, and other consulting fees. Research and development expenses are recognized as they are incurred. Our research and development organization is focused on enhancing our ability to introduce innovative and easy-to-use products and services. The following table presents research and development expenses, for the periods indicated:

	Years ended December 31,			
	2025	2024	\$ Change	% Change
Research and development	\$ 47,419	\$ 113,294	\$ (65,875)	(58.1)%

Research and development expenses decreased by \$66 thousand in fiscal 2025, as compared to the prior year. The research and development expenses incurred in 2025 were primarily related to software subscriptions and support costs.

Research and development expenses may fluctuate depending on the timing and number of development activities and could vary significantly as a percentage of revenues, depending on actual revenues achieved in any given year.

Other Income (Expense)

	Years ended December 31,			
	2025	2024	\$ Change	% Change
Other income (expense)	\$ (29,881)	\$ 82	\$ (29,963)	(36,540.2)%

Other income (expense), net was an expense of \$29,881 in fiscal 2025 and income of \$82 in fiscal 2024, primarily due to increased foreign currency exchange losses resulting from significantly more foreign currency transactions in 2025 as the Company expanded its operations in Hong Kong and Japan.

Income Tax Expense (Benefit)

	Years ended December 31,			
	2025	2024	\$ Change	% Change
Income tax expense (benefit)	\$ 448,204	\$ (11,216)	\$ 459,420	(4,096.1)%

Income tax expense (benefit) was an expense of \$448,204 in fiscal 2025 and benefit of \$11,216 in fiscal 2024. This significant change was primarily due to the profitability of the Company's Hong Kong subsidiary in 2025, resulting in Hong Kong Profits Tax. In 2024, the Company was in a business transition period with losses from legacy operations, resulting in an income tax benefit.

Liquidity and Capital Resources

The Company's operations have historically been financed through the issuance of common stock and preferred stock. Since inception, the Company has incurred significant losses and negative cash flows from operation and an accumulated deficit of \$95.6 million. The Company began generating operating profit in the fourth quarter of 2025. During the year ended December 31, 2025, the Company reported a net income of \$1.1 million, a positive working capital of \$2.4 million. As of December 31, 2025, we had cash of \$3.1 million as compared to \$30 thousand on December 31, 2024. On December 31, 2025, we had no borrowings outstanding and had a working capital of \$2.4 million. Previously, we have funded our operations and financing activities primarily through the sale of our preferred stock and Common Stock. Our ability to maintain adequate levels of liquidity depends in part on our ability to generate cash from operations and our ability to raise additional funds through equity or debt financing. We are evaluating options related to our liquidity and will continue to monitor our costs in relation to our sales and adjust our cost structure accordingly.

Our historical cash outflows have primarily been associated with: (1) cash used for operating activities such as the purchase and growth of inventory, expansion of our sales and marketing and research and development infrastructure and other working capital needs; (2) expenditures related to increasing our manufacturing capacity and improving our manufacturing efficiency; (3) capital expenditures related to the acquisition of equipment; (4) cash used to repay our debt obligations and related interest expense; and (5) cash used for acquisitions. Fluctuations in our working capital due to timing differences of our cash receipts and cash disbursements also impact our cash inflows and outflows.

Our consolidated financial statements as of December 31, 2025 were prepared under the assumption that we will continue as a going concern. The going concern assumption contemplates the realization of assets and satisfaction of liabilities in the normal course of business. However, substantial doubt exists about our ability to continue as a going concern, and we will require additional liquidity to continue operations beyond the next twelve months.

Our consolidated financial statements as of December 31, 2025 do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if we were unable to continue as a going concern. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that investors will lose all or part of their investment.

Cash Flows

The following table presents our cash flows for the periods presented:

	Years ended December 31,	
	2025	2024
Cash provided by (used in) operating activities	\$ 3,636,620	\$ (3,772,008)
Cash used in investing activities	(4,873,399)	11,642
Cash provided by (used in) financing activities	4,300,000	3,081,206
Effect of foreign exchange rate changes on cash	(8,922)	-
Net increase (decrease) in cash	\$ 3,054,299	\$ (679,160)

Cash Flows from Operating Activities.

Cash provided by operating activities of \$3.6 million during 2025 reflected our net income of \$1.1 million, adjusted for non-cash expenses, consisting primarily of: \$0.5 million in depreciation and amortization expense, \$0.1 million in stock-based compensation expense, \$1.1 million in value of warrants issued, \$9 thousand in non-cash interest expense, and \$7 thousand in loss on disposal of fixed assets. Uses of cash included increases in accounts receivable of \$0.6 million, other receivables of \$1.1 million, prepaid and other current assets of \$27 thousand, and other long-term assets of \$59 thousand, as well as decreases in operating lease liabilities of \$51 thousand. Sources of cash included increases in accounts payable of \$0.2 million, contract liabilities of \$1.5 million, income tax payable of \$0.4 million and accrued expenses and other current liabilities of \$0.6 million.

Cash used in operating activities of \$3.7 million for 2024 reflected our net loss of \$4.2 million, adjusted for non-cash expenses, consisting primarily of \$0.4 million of depreciation and amortization, \$0.9 million of stock-based compensation expense, \$(0.3) million credit losses, and \$2.2 million in vendor forgiveness, net of asset transfers. Uses of cash included a reduction in accounts payable of \$3.2 million, accrued expenses and other liabilities of \$0.8 million, and prepaid expenses and other current assets of \$0.1 million. Sources of cash included a decrease of accounts receivable of \$1.0 million and inventory of \$0.4 million.

Cash Flows from Investing Activities.

In 2025, the Company used \$4.9 million in investing activities, primarily consisting of \$4.7 million for acquisition of assets and \$0.2 million for purchases of property, equipment and software.

In 2024, the Company had \$12 thousand generated in investing activities related to sales of property and equipment.

Cash Flows from Financing Activities.

Cash provided from financing activities in 2025 consisted of proceeds from issuance of Common Stock of \$4 million, net proceeds from the issuance of a convertible note of \$300 thousand.

Cash provided in financing activities in 2024 consisted of proceeds of issuance of preferred stock of \$3.1 million.

Future Liquidity Needs

Our primary short-term needs for capital, which are subject to change, include:

- upgrades to our information technology infrastructure to enhance our capabilities and improve overall productivity;

- support of our commercialization efforts related to our current and future products, including expansion of our direct sales force and field support resources;
- the continued advancement of research and development activities.

Our capital expenditures are largely discretionary and within our control. We expect that our product sales and the resulting operating loss, as well as the status of each of our product development programs, will significantly impact our cash management decisions.

At December 31, 2025, we do not believe our current cash will be sufficient to fund working capital requirements, capital expenditures and operations during the next twelve months. Our ability to continue as a going concern will depend on our ability to obtain additional equity or debt financing, attain further operating efficiencies, reduce expenditures and increase revenues. Based on these factors, management determined that there is substantial doubt regarding our ability to continue as a going concern. We will continue to monitor our costs in relation to our sales and adjust accordingly.

Our future liquidity and capital requirements will be influenced by numerous factors, including the extent and duration of any future operating losses, the level and timing of future sales and expenditures, the results and scope of ongoing research and product development programs, working capital required to support our sales growth, funds required to service our debt, the receipt of and time required to obtain regulatory clearances and approvals, our sales and marketing programs, our need for infrastructure to support our sales growth, the continuing acceptance of our products in the marketplace, competing technologies and changes in the market and regulatory environment.

Our ability to fund our longer-term cash needs is subject to various risks, many of which are beyond our control—See “Risk Factors—We may require significant additional capital to pursue our growth strategy, and our failure to raise capital when needed could prevent us from executing our growth strategy.” Should we require additional funding, such as additional capital investments, we may need to raise the required additional funds through bank borrowings or public or private sales of debt or equity securities. We cannot guarantee that such funding will be available in needed quantities or on terms favourable to us, if at all.

At December 31, 2025, we have Federal net operating loss carry forwards of approximately \$68.2 million available to reduce future taxable income. A valuation allowance has been established for the full amount of deferred income tax assets as management has concluded that it is more-likely than-not that the benefits from such assets will not realize the benefits of our deferred tax assets. As a result, as of December 31, 2025 and December 31, 2024, we recorded a full valuation allowance against our net deferred tax assets.

To support our strategic transition to SaaS solutions and the scaling of our AI-driven platform, management anticipates requiring approximately \$10 million in total funding over the next three years. We plan to allocate (1) \$4.0 million in 2026 to develop AI technology for content, build fan community and membership system, (2) \$3.0 million in 2027 to enhance our SaaS system, and develop robust security for other IP protection technologies, and (3) \$3.0 million in 2028 to advance AI media development and expand content creation capabilities.

To provide for such liquidity needs over the next three years, on May 9, 2025, we entered into a Purchase Agreement with Helena, whereby we have the right to issue and sell to Helena, from time to time, and Helena shall purchase from us, up to \$15,000,000 of the Common Stock. In no event shall the number of shares of Common Stock issuable to Helena cause the aggregate number of shares of Common Stock beneficially owned by Helena and its affiliates as a result of previous issuances and sales of Common Stock to Helena to exceed 9.99% of the then issued and outstanding Common Stock. The purchase price is based on 95% of the lowest VWAP during the three (3) Trading Days following Helena’s receipt of the shares.

On May 9, 2025, the Company also entered into, and simultaneously closed the transactions under, a Securities Purchase Agreement with Cao Yu, whereby the Company sold 1,585,366 shares of the Company’s Common Stock to Cao Yu, for an aggregate purchase price of \$2,600,000.

On May 9, 2025, the Company also entered into, and simultaneously closed the transactions under, a Securities Purchase Agreement with Hu Bin, whereby the Company sold 853,659 shares of Common Stock to Hu Bin, for an aggregate purchase price of \$1,400,000.

On January 30, 2026, we entered into a Securities Purchase Agreement with certain investors to issue an aggregate of 394,476 shares of Common Stock at \$5.07 per share for gross proceeds of approximately \$2 million. The transaction is expected to close at the end of the first quarter of 2026.

Commitments and Contractual Obligations

For a description of our operating leases, refer to Note 6 and for a description of our license agreement and purchase commitments, refer to Note 7 in the Notes to the Consolidated Financial Statements in Part II, Item 8 of this Annual Report.

Off-Balance Sheet Arrangements

We did not have any material off-balance sheet arrangements as of December 31, 2025. Please refer to Note 7 in the Notes to the Consolidated Financial Statements in Part II, Item 8 of this Annual Report.

Recent Accounting Standards

Please refer to Note 2 Summary of Significant Accounting Policies, in Notes to the Consolidated Financial Statements in Part II, Item 8 of this Annual Report, for a full description of recent accounting standards, including the expected dates of adoption and estimated effects on the financial condition and results of operations, which are hereby incorporated by reference.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. These accounting principles require us to make certain estimates and judgments that can affect the reported amounts of assets and liabilities as of the date of the financial statements, as well as the reported amounts of revenue and expenses during the periods presented. Management bases its estimates, assumptions and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances. To the extent there are material differences between these estimates and actual results, our financial statements may be affected. Our management evaluates its estimates, assumptions and judgments on an ongoing basis.

Following is a discussion of what we view as our more significant accounting policies and estimates pertaining to the operations of the Company. As described below, management judgments and estimates must be made and used in connection with the preparation of our consolidated financial statements.

Management considers revenue recognition to be a critical accounting policy because it requires significant judgment in identifying performance obligations and determining the appropriate timing and pattern of revenue recognition for service contracts. The application of this policy involves evaluating contract terms, including the nature of promised services and the period over which control is transferred to the customer, which could materially affect the amount and timing of revenue recognized.

Revenue Recognition

We adopted ASC 606, Revenue from Contracts with Customers, which requires a five-step model to recognize revenue from customer contracts. The five-step model requires entities to exercise judgment when considering the terms of contracts, including: (1) identifying the contracts or agreements with a customer; (2) identifying the performance obligations in the contract or agreement; (3) determining the transaction price; (4) allocating the transaction price to the separate performance obligations; and (5) recognizing revenue as each performance obligation is satisfied. We apply the five-step model to contracts only when it is probable that we will collect the consideration to which it is entitled in exchange for the services it transfers to our clients.

Revenues from SaaS service before the end of 2024

Revenue recognized for each distinct performance obligation as control is transferred to the customer. Revenue attributable to hardware products bundled with SaaS offerings are recognized at the time control of the product transfers to the customer. The transaction price allocated to the SaaS offering was recognized ratably beginning when the customer was expected to activate their account and over a three-year period that we estimated based on the expected replacement of the hardware.

Revenues from SaaS service- MCN Digital Service in 2025

We expand SaaS operations as a digital service provider, delivering full-cycle services to brand clients through legally binding agreements since March 2025. We offer full-service account management, content production, and targeted promotion to grow followers across key platforms. Service packages customizable via the SaaS portal. Customers may purchase value-added services with or after their purchases of basic package. Our services comprise two distinct performance obligations: (1) the basic service, which represents a single performance obligation as the promises for account setup, SaaS platform access, account management, and basic digital content creation and publishing are highly interdependent and bundled together; and (2) the value-added services, which represents a performance obligation for additional digital content created and customized to meet the customer's special request. Each with a standalone transaction price. We recognize revenues from basic services ratably over the contract term beginning on the commencement date of each contract. The revenues from value-added services are recognized at a point in time when customers approve or accept the value-added services or system automatically approves whichever is later. We require an upfront payment for the services, which is non-refundable upon execution of the contract. Customers retain the right to terminate the contract prior to its expiration date, subject to the early termination fees, including information transfer fee and fan development fee.

Revenues from Software Service in 2025

We enter into bundled arrangements that typically include the sale of on-premise software licenses, customized modules, and maintenance and support ("M&S") services. These arrangements are evaluated to determine whether the promises represent distinct performance obligations. The customized modules are highly interdependent and interrelated with the software license and are therefore combined with the license as a single performance obligation, while the M&S services are capable of being distinct and are accounted for as a separate performance obligation. The M&S services are provided free of charge for a specified contract period, typically encompassing the first year of service following software delivery.

The transaction price is allocated to each performance obligation based on their relative stand-alone selling prices ("SSP"). The SSP for the combined software license and customized modules, and M&S services is determined using the adjusted market assessment approach, which considers market conditions, competitive pricing, our market position, expected profit margins, and cost structure. Contracts include retention fees that represent variable consideration, as their payment is contingent upon no major defects being identified within a specified period. These retention fees are excluded from the initial transaction price. The related revenue is recognized only when it's probable that a significant reversal will not occur. Contracts for software licensing and M&S services generally include a renewal option for M&S services; however, the renewal option to acquire additional services is neither offered free of charge nor at a discount and accordingly does not represent a material right.

We provide assurance-type warranties to ensure that the delivered software complies with agreed-upon specifications. These warranties do not constitute a separate performance obligation as they cannot be purchased separately and do not provide a service beyond remedying defects to bring the software to the specified standard.

Our contracts typically specify a payment schedule whereby payments from the customer are linked to the signing of the contract and the achievement of specific milestones. Contracts are generally fixed price, and we have elected the practical expedient not to adjust the promised consideration for the effects of a significant financing component when the period between transfer of goods or services and customer payment is one year or less.

Revenue from the combined software license and customized modules is recognized over time as we fulfil its performance obligations by developing and enhancing the software assets throughout the project period. We recognize revenue using the output method based on the measurements of the value of the services transferred to date in relation to total performance obligation promised. Revenue from maintenance and support services is recognized over time on a straight-line basis over the M&S contract period. This recognition pattern reflects the continuous transfer of services to the customer, who simultaneously receives and consumes the benefits of these services throughout the service period.

Revenues from Digital Authentication Service in 2025

We provide digital authentication services for artworks, leveraging AI and blockchain technology. Services include microstructure analysis, AI image comparison, authenticity determination, blockchain registration, and issuance of digital authentication reports. Service packages are offered in Standard and Expedited editions, with fees calculated based on artwork area and payable in full in advance. Our services comprise a single performance obligation, as the promised services are highly interdependent and integrated to deliver a conclusive authentication outcome. The transaction price is fixed at contract inception. Revenue is recognized at a point in time upon delivery of the final digital authentication report and blockchain certificate to the client, when the client obtains control of the completed authentication package.

Management has evaluated the Company's accounting policies and estimates and determined that there were no critical accounting estimates for the year ended December 31, 2025. While the preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, such estimates did not involve a high degree of subjectivity, judgment, or uncertainty that would be reasonably likely to result in a material impact to the Company's financial condition or results of operations. Accordingly, management concluded that no estimates met the definition of a critical accounting estimate for the period presented.

ITEM 7A. – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

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ITEM 8 – CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

FiEE, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the board of directors of
FiEE, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of FiEE, Inc and its subsidiaries (the “Company”) as of December 31, 2025, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders’ equity (deficit), and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company’s Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, although the Company had liquidity for the year ended December 31, 2025, the historical losses and negative cash flows raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of Acquired Technology-Related Intangible Assets

As described in Note 4 to the financial statements, during the year ended December 31, 2025, the Company completed the acquisition of a group of assets, and a significant portion of the purchase price was allocated to technology-related intangible assets. The fair value of the acquired technology was estimated using a multi-period excess earnings method (MPEEM), which required management to make significant estimates and assumptions, including projected revenues, discount rates, and the economic useful life of the intangible assets.

We identified the valuation of the acquired technology-related intangible assets as a critical audit matter because auditing management's estimate involved especially challenging auditor judgment due to the significant estimation uncertainty and the sensitivity of the valuation to changes in key assumptions.

The primary procedures we performed to address this critical audit matter included, among others, evaluating the reasonableness of management's valuation methodology and testing the significant assumptions used in the valuation model. We evaluated the projected revenues, costs, and expenses by comparing them to actual performance and other relevant information, such as the cost-to-revenue ratio. With the assistance of our valuation specialists, we evaluated the appropriateness of the valuation methodology and assessed the reasonableness of certain key assumptions, including the discount rate and contributory asset charges. We also performed sensitivity analyses to evaluate the impact of changes in key assumptions on the estimated fair value of the intangible assets. In addition, we tested the completeness and accuracy of the underlying data used in the valuation and evaluated the adequacy of the related financial statement disclosures.

/s/ UHY LLP

We have served as the Company's auditor since 2025.
Irvine, California
March 20, 2026



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of
FiEE, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of FiEE, Inc. f/k/a Minim, Inc. (the “Company”) as of December 31, 2024 and 2023, the related statements of operations, stockholders’ equity (deficit), and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States.

Substantial Doubt about the Company’s Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company’s significant operating losses raise substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicated or are required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved especially challenging, subjective, or complex judgments.

We determined that there are no critical audit matters.

/s/ Beckles & Co (PCAOB ID 7116)

We served as the Company’s auditor from 2024 to 2025.

West Palm Beach, FL

April 9, 2025

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West Palm Beach, FL 33409

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FIEE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2025 and 2024

	2025	2024
ASSETS		
<i>Current assets</i>		
Cash	\$ 3,084,461	\$ 30,162
Accounts receivable	2,110,715	-
Other receivable	1,217,692	-
Prepaid expenses and other current assets	199,309	134,757
Total current assets	6,612,177	164,919
Property, equipment and software, net	366,439	119,871
Intangible assets	3,529,835	
Operating lease right-of-use assets, net	31,004	-
Other assets	231,680	22,245
Total assets	\$ 10,771,135	\$ 307,035
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
<i>Current liabilities</i>		
Accounts payable	\$ 511,206	\$ 143,414
Contract liabilities	1,497,721	-
Accrued expenses and other current liabilities	1,169,737	293,613
Income tax payables	972,743	
Current maturities of operating lease liabilities	30,350	-
Total current liabilities	4,181,757	437,027
Total liabilities	4,181,757	437,027
Commitments and Contingencies (Note 7)		
<i>Stockholders' equity (deficit)</i>		
Preferred Stock, authorized: 10,000,000 shares at \$0.001 par value, including 3,000,000 shares designated as Series A Convertible Preferred Stock at \$0.001 par value; 2,305,357 Series A shares issued and outstanding at December 31, 2025 and 2024, respectively.	1,639,779	1,639,779
Common Stock, authorized: 60,000,000 shares at \$0.01 par value; issued and outstanding: 7,934,122 shares at December 31, 2025 and 3,713,792 shares at December 31, 2024, respectively	79,341	37,138
Additional paid-in capital	100,500,280	94,886,147
Accumulated deficit	(95,621,579)	(96,694,013)
Accumulated other comprehensive (loss) income	(8,443)	957
Total stockholders' equity (deficit)	6,589,378	(129,992)
Total liabilities and stockholders' equity (deficit)	\$ 10,771,135	\$ 307,035

The accompanying notes are an integral part of these consolidated financial statements.

FIEE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
Years Ended December 31, 2025 and 2024

	2025	2024
Revenues	\$ 6,193,616	\$ 639,893
Cost of revenues	840,018	432,634
Gross profit	<u>5,353,598</u>	<u>207,259</u>
Operating expenses:		
Selling and marketing	418,011	66,171
General and administrative	3,337,649	2,062,441
Research and development	47,419	113,294
Vendor liability forgiveness, net of asset transfers	-	2,200,929
Total operating expenses	<u>3,803,079</u>	<u>4,442,835</u>
Operating income (loss)	<u>1,550,519</u>	<u>(4,235,576)</u>
Other income (expense):		
Interest income (expense), net	(8,953)	82
Foreign currency exchange loss	(14,315)	-
Other, net	(6,613)	-
Total other income (expense)	<u>(29,881)</u>	<u>82</u>
Income (loss) before income taxes	1,520,638	(4,235,494)
Income tax expense (benefit)	<u>448,204</u>	<u>(11,216)</u>
Net income (loss)	\$ 1,072,434	\$ (4,224,278)
Allocation to participating preferred stock	(391,125)	-
Net Income (loss) attributable to common stockholders	<u>681,309</u>	<u>(4,224,278)</u>
Basic earnings (loss) per common share	0.12	(1.34)
Diluted earnings (loss) per common share	<u>\$ 0.10</u>	<u>\$ (1.34)</u>
Weighted-average number of common shares outstanding:		
Basic	5,622,077	3,159,061
Diluted	<u>7,080,633</u>	<u>3,159,061</u>
Net income (loss)	\$ 1,072,434	\$ (4,224,278)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	(9,400)	-
Total comprehensive income (loss)	<u>\$ 1,063,034</u>	<u>\$ (4,224,278)</u>

The accompanying notes are an integral part of these consolidated financial statements.

FIEE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
Years Ended December 31, 2025 and 2024

	Preferred Stock		Common Stock		Additional	Accumulated	Accumulated	
	Shares	Amount	Shares	Amount	Paid In	Deficit	Other	Total
					Capital		Comprehensive	
							Income	
Balance at December 31, 2023	-	\$ -	2,789,020	\$ 27,890	\$ 92,556,805	\$ (92,469,735)	\$ 957	\$ 115,917
Net loss	-	-	-	-	-	(4,224,278)	-	(4,224,278)
Preferred stock issuance	2,305,357	1,639,779	-	-	-	-	-	1,639,779
Issuance of warrants	-	-	-	-	1,441,427	-	-	1,441,427
Stock-based compensation	-	-	924,772	9,248	887,915	-	-	897,163
Balance at December 31, 2024	<u>2,305,357</u>	<u>\$ 1,639,779</u>	<u>3,713,792</u>	<u>\$ 37,138</u>	<u>\$ 94,886,147</u>	<u>\$ (96,694,013)</u>	<u>\$ 957</u>	<u>\$ (129,992)</u>
Net income	-	-	-	-	-	1,072,434	-	1,072,434
Foreign currency translation	-	-	-	-	-	-	(9,400)	(9,400)
Issuance of warrants for service	-	-	-	-	1,074,716	-	-	1,074,716
Stock-based compensation	-	-	-	-	122,667	-	-	122,667
Common Stock Issuance	-	-	2,582,169	25,822	4,124,178	-	-	4,150,000
Conversion of Convertible Note	-	-	1,235,814	12,358	296,595	-	-	308,953
Warrants exercised	-	-	402,347	4,023	(4,023)	-	-	-
Balance December 31, 2025	<u>2,305,357</u>	<u>\$ 1,639,779</u>	<u>7,934,122</u>	<u>\$ 79,341</u>	<u>\$ 100,500,280</u>	<u>\$ (95,621,579)</u>	<u>\$ (8,443)</u>	<u>\$ 6,589,378</u>

The accompanying notes are an integral part of these consolidated financial statements.

FIEE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 1,072,434	\$ (4,224,278)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	441,434	347,671
Amortization of right-of-use assets	49,912	22,512
Non-cash interest expense	8,953	-
Stock-based compensation	122,667	897,163
Issuance of warrants for service	1,074,716	-
Loss on disposal of fixed assets	6,613	-
Provision for accounts receivable allowances	-	(312,983)
Vendor liability forgiveness, net of asset transfers	-	2,200,929
Changes in operating assets and liabilities:		
Accounts receivable	(588,915)	1,014,360
Other receivable	(1,145,125)	-
Inventories	-	404,299
Prepaid expenses and other current assets	(26,737)	(98,990)
Other assets	(59,435)	33,384
Accounts payable	217,927	(3,249,333)
Contract liabilities	1,497,721	-
Income tax payable	446,666	-
Accrued expenses and other current liabilities	568,354	(784,230)
Operating lease liabilities	(50,565)	(22,512)
Net cash provided by (used in) operating activities	<u>3,636,620</u>	<u>(3,772,008)</u>
Cash flows from investing activities:		
Purchase of property, equipment and software	(186,095)	-
Sales of property and equipment	-	11,642
Asset acquisition - Yixuntong (Note 4)	(1,200,000)	-
Asset acquisition - HGK, net of cash acquired (Note 4)	(3,487,304)	-
Net cash (used in) provided by investing activities	<u>(4,873,399)</u>	<u>11,642</u>
Cash flows from financing activities:		
Proceeds from preferred stock issuance	-	3,081,206
Proceeds from the issuance of common stock	4,000,000	-
Proceeds from the issuance of convertible note	300,000	-
Net cash provided by financing activities	<u>4,300,000</u>	<u>3,081,206</u>
Effect of foreign exchange rate changes on cash	(8,922)	-
Net change in cash	3,054,299	(679,160)
Cash - Beginning	30,162	709,322
Cash - Ending	<u>\$ 3,084,461</u>	<u>\$ 30,162</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ 11,125
Supplemental disclosures of non-cash investing and financing activities:		
Non-cash common stocks issued that were recognized in deferred offering costs	\$ 150,000	\$ -
Settlement of convertible note to equity	\$ 308,953	\$ -
Obtaining right-of-use assets in exchange for operating lease liability	\$ 82,600	\$ -
Purchase of property, equipment and software through increase in other payables	\$ 89,354	\$ -
Asset acquisition through increase in other payables	<u>\$ 204,969</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

FiEE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
Years Ended December 31, 2025 and 2024

(1) NATURE OF OPERATIONS AND BASIS OF PRESENTATION

FiEE, Inc. (formerly, Minim, Inc.) was founded in 1977 as a networking company and pivoted into delivering intelligent software to protect and improve the WiFi connections we depend on to work, learn, and live. FiEE held the exclusive global license to design, manufacture, and sell consumer networking products under the Motorola brand until 2023. Our cable and WiFi products, with an intelligent operating system and bundled mobile app, were sold in leading retailers and e-commerce channels in the United States (“U.S.”). Our AI-driven cloud software platform and applications make network management and security simple for home and business users, as well as the service providers that assist them—leading to higher customer satisfaction and decreased support burden.

On February 27, 2025, the Company filed with the Secretary of State of the State of Delaware a Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the “Certificate of Amendment”) to change the name of the Company from Minim, Inc. to FiEE, Inc., effective as of February 27, 2025.

FiEE, Inc. and its wholly owned subsidiaries—FiEE (HK) Limited (incorporated in March 2025), Houren-Geiju Kabushikikaisha (acquired in November 2025), MTRLC LLC, and Minim Asia Private Limited—are herein collectively referred to as “FiEE” or the “Company.”

We continue to grow and expand our operations as a digital service provider focused on integrating AI and data analytics into content creation and brand management. We offer a range of SaaS solutions through a cloud-based platform designed to support our clients in developing, managing, and optimizing their digital presence across global platforms, including customized graphic and posts, short videos, and editorial calendars aligned with brand goals. Additionally, we offer comprehensive software development and maintenance services, delivering custom software solutions from system design and development to deployment and post-launch maintenance.

On November 30, 2025, we completed the acquisition of Houren-Geiju Kabushikikaisha (“HGK”), a Japanese technology company specializing in digital authentication services for artworks, leveraging AI and blockchain technology to provide artwork authentication, certification, and display services for individual and corporate clients. This acquisition introduces AI image recognition and blockchain authentication technologies to the Company’s service portfolio, further bolstering our technological capabilities and optimizing our comprehensive brand management solutions for customers.

Basis of Presentation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S. (U.S. GAAP) and applicable rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) regarding financial reporting. The consolidated financial statements of the Company include the accounts of FiEE Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expense during the reporting period. These judgments, estimates and assumptions made by the Company include, but are not limited to revenue recognition, expected credit losses; contract liabilities; valuation allowance for deferred income tax assets; fair value of acquired assets; valuation of warrants and stock-based compensation. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate. Actual results may differ from those estimates under different assumptions or conditions and the differences may be material.

Liquidity

The Company's operations have historically been financed through the issuance of common stock and preferred stock. Since inception, the Company has incurred significant losses and negative cash flows from operations. The Company began generating operating profit in the fourth quarter of 2025. During the year ended December 31, 2025, the Company reported a net income of \$1.1 million, a positive working capital of \$2.4 million and an increase in cash of \$3.1 million. The increase in cash was primarily attributable to \$3.6 million of cash provided by operating activities and \$4.3 million of cash provided by financing activities, partially offset by \$4.9 million of cash used in investing activities. As of December 31, 2025, the Company had an accumulated deficit of \$95.6 million and a cash of \$3.1 million. Although the Company generated net income, a positive working capital and operating cash flows during 2025 following changes in management and business strategy, the Company has incurred significant losses in prior years and has a limited operating history of profitability. These conditions raise substantial doubt about the Company's ability to continue as a going concern one year from the date the consolidated financial statements were issued. The Company will strengthen its liquidity and expand its access to capital through public offering of common stock and related private placements.

The Company's consolidated financial statements as of December 31, 2025, do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern. If the Company is unable to raise additional capital and is therefore unable to continue as a going concern, it may have to liquidate its assets and may receive less than the value at which those assets are carried on its consolidated financial statements, and it is likely that investors will lose all or part of their investment.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Currency

The functional currency of FiEE (HK) Limited is the Hong Kong dollar (HKD). The functional currency of HGK (Japanese entity) is the Japanese Yen (JPY). Foreign currency transactions are translated into their respective functional currencies using exchange rates at the transaction dates, while monetary assets and liabilities denominated in foreign currencies are remeasured at period-end rates. The functional currency of all other entities of the Company is U.S. Dollar (USD), the same as the reporting currency.

Assets and liabilities of the Company denominated in functional currency other than USD are translated into USD at fiscal year-end exchange rates. Equity accounts other than earnings generated in the current period are translated into USD at the appropriate historical rates. The results of operations and the statements of cash flows denominated in functional currency other than USD are translated into USD at the average exchange rates during the reporting period. Translation adjustments arising from these are reported as cumulative translation adjustments and are shown as a separate component of accumulated other comprehensive income (loss) in the consolidated statements of changes in stockholders' equity (deficit).

Cash

The Company considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. As of December 31, 2025 and 2024, the Company had no cash equivalents.

The Company maintains cash balances with financial institutions located in the U.S., and Japan, as well as in Hong Kong with a non-bank payment service provider used to facilitate international payment transactions. Cash balances held in financial institutions in the U.S. are insured by the Federal Deposit Insurance Corporation ("FDIC") up to applicable limits, while balances held in other jurisdictions may be subject to different regulatory protections. In addition, balances held with the non-bank payment service provider are not insured by the FDIC or similar government agencies. The Company has not experienced any credit losses on its cash account through December 31, 2025 and believes it is not exposed to significant credit risk with respect to these balances.

Accounts Receivable

Accounts receivable are recorded at invoice value, net of any allowance for credit losses. The Company's accounts receivable were \$2,110,715 and \$0 as of December 31, 2025 and 2024, respectively. The balance as of December 31, 2025 consisted primarily of trade receivables acquired in connection with the purchase of HGK, and trade receivables from software services provided during the year.

The allowance for credit losses is estimated using a forward-looking expected credit loss model that considers available information about past events, current conditions, and reasonable and supportable forecasts of future economic conditions. Given that all accounts receivable as of December 31, 2025 were originated during 2025 following the Company's business transformation, limited historical payment data is available. The Company assesses credit risk based on the age of receivables, customer creditworthiness, estimated future economic conditions and their impact on the customer's financial capabilities.

Based on management's assessment, and ongoing collection efforts, the Company believes that all outstanding receivables are fully collectible in 2026. No allowance for credit losses was recorded as of December 31, 2025. The amount received in subsequent period is \$613 thousand before the consolidated financial statements were issued. The Company will continue to monitor the aging of receivables and customer payment patterns and will establish an allowance if future conditions indicate that expected credit losses may occur.

Deferred Offering Costs

Offering costs directly attributable to a potential private offering of equity securities are accounted for in accordance with Accounting Standards Codification ("ASC") 340-10-S99-1 and the SEC Staff Accounting Bulletin ("SAB") Topic 5.A – Expenses of Offering. The Company's offering costs primarily consist of commitment fees incurred through the balance sheet date, which have been deferred and recorded as a non-current asset, as the offering had not been completed as of the reporting date. As of December 31, 2025, the Company had \$150,000 in deferred offering costs related to the Helena Purchase Agreement (see Note 12), which were included in other assets. Upon successful completion of the private offering, such costs will be charged against the proceeds and recorded as a reduction to stockholders' equity. If the offering is ultimately unsuccessful or abandoned, the deferred offering costs will be expensed in the period in which the offering is terminated.

Property, Equipment and Software

Property, equipment and software primarily consisted of equipment, vehicles, and internal-use software customized by a vendor, which are stated at cost, and are depreciated or amortized on a straight-line basis over their estimated useful lives, which is generally three to five years. Maintenance and repairs are charged to expense as incurred. Significant improvements that substantially enhance the useful life of an asset are capitalized and depreciated. When assets are retired or disposed of, the cost together with related accumulated depreciation is removed from the balance sheet and any resulting gain or loss is reflected in the Company's statements of operations in the period realized. Costs incurred to develop internal-use software are capitalized only during the application development stage.

Category	Estimated useful life
Internal use software	3 years
Equipment	3-5 years
Vehicles	5 years

Intangible Assets

Intangible assets primarily consisted of acquired group of proprietary software, which are stated at cost and are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of the Company's intangible assets is 3 years.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property, equipment, software, and intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment of long-lived assets was recognized for the years ended December 31, 2025 and 2024.

Assets Acquisition

The Company evaluates acquisitions of entities or assets to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen test to determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If this screen criterion is met, the transaction is accounted for as an asset acquisition. If not, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business. The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets, which includes transaction costs. Goodwill is not recognized in an asset acquisition. Any consideration in excess of net assets acquired is allocated to acquired nonfinancial assets on a relative fair value basis.

Fair Market Value

The Company complies with ASC 820, "Fair Value Measurements and Disclosures," for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Provision for income taxes consisted of current income taxes and deferred income taxes.

Current income taxes are provided for in accordance with the laws of the relevant tax authorities and calculated using tax rates that have been enacted as of the balance sheet date.

Deferred income taxes are provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are recognized to the extent that these assets are more likely than not to be realized. In making such a determination, the management consider all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation. Deferred tax assets are then reduced by a valuation allowance through a charge to income tax expense when, in the opinion of management, it is more likely than not that a portion of or all of the deferred tax assets will not be realized.

The Company accounts for uncertainty in income taxes recognized in the financial statements by applying a two-step process to determine the amount of the benefit to be recognized. An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination based solely on the technical merits of the position assuming a review by tax authorities having all relevant information. The amount of the benefits that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement.

Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Company did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2025 and 2024.

The Company accounts for Global Intangible Low-Taxed Income (“GILTI”) in accordance with ASC 740. The Company has elected to account for the tax effects of GILTI as a period cost when incurred rather than recognizing deferred taxes for basis differences expected to reverse as GILTI in future periods. Accordingly, GILTI tax expense is recognized in the period in which the related income is included in the U.S. taxable income.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (ASC 740): Improvements to Income Tax Disclosures, which includes amendments that further enhance income tax disclosures, primarily through standardization and disaggregation of rate reconciliation categories and income taxes paid by jurisdiction. The amendments are effective for all public entities for fiscal years beginning after December 15, 2024, and early adoption is permitted. The Company adopted ASU 2023-09 in the fiscal year ended December 31, 2025, and the adoption primary affects the Company’s income tax disclosures (see Note 13).

Operating and Finance Leases

The Company has operating leases primarily for office space. The determination of whether an arrangement is a lease or contains a lease is made at inception by evaluating whether the arrangement conveys the right to use (“ROU”) an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Company does not have any finance leases.

Leases with a term greater than one year are recognized on the consolidated balance sheets in the line items cited above. The Company has elected not to recognize leases with terms of one year or less on the consolidated balance sheets. Lease obligations and their corresponding ROU assets are recorded based on the present value of lease payments over the expected lease term. As the interest rate implicit in lease contracts is typically not readily determinable, the Company utilizes the materially approximate incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

Segment reporting

The Company operates as a single operating segment. The Company's chief operating decision maker ("CODM"), its Chief Executive Officer, reviews financial information on an aggregate basis for the purposes of allocating resources and evaluating financial performance. The measure of segment profit or loss reviewed by the CODM is operating income. The Company's primary operations were historically in the U.S., and prior to the end of 2024, it derived substantially all of its revenue from sales to customers in the U.S. Beginning in March 2025, following the expansion of its operations in Hong Kong, the Company has derived all its revenues from Hong Kong. As of December 31, 2024, the Company had no significant long-lived assets. As of December 31, 2025, the Company's long-lived assets are mainly located in U.S. and Hong Kong.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires that an entity disclose significant segment expenses impacting profit and loss that are regularly provided to the chief operating decision maker. The update is required to be applied retrospectively to prior periods presented, based on the significant segment expense categories identified and disclosed in the period of adoption. The amendments in ASU 2023-07 are required to be adopted for fiscal years beginning after December 15, 2023 for public entities. The Company adopted ASU 2023-07 effective January 1, 2024.

For the year ended December 31, 2025 and 2024, significant segment expenses that are regularly provided to the CODM and included in this measure consist of cost of revenues, selling, general, and administrative expenses. These expenses are consistent with the amounts presented in the consolidated statements of operations. There are no other segment items as there are no significant assets or operations not regularly reviewed by the CODM.

Recently Issued Accounting Standards

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03") which requires detailed disclosures in the notes to financial statements disaggregating specific expense categories and certain other disclosures to provide enhanced transparency into the nature and function of expenses. The FASB further clarified the effective date in January 2025 with the issuance of ASU 2025-01, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date ("ASU 2025-01"). ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The requirements should be applied on a prospective basis while retrospective application is permitted. The Company is currently evaluating the impact related to the new standard.

(3) REVENUE AND OTHER CONTRACTS WITH CUSTOMERS

The Company adopted ASC 606, Revenue from Contracts with Customers, which requires a five-step model to recognize revenue from customer contracts. The five-step model requires entities to exercise judgment when considering the terms of contracts, including: (1) identifying the contracts or agreements with a customer; (2) identifying the performance obligations in the contract or agreement; (3) determining the transaction price; (4) allocating the transaction price to the separate performance obligations; and (5) recognizing revenue as each performance obligation is satisfied. The Company applies the five-step model to contracts only when it is probable that the Company will collect the consideration to which it is entitled in exchange for the services it transfers to its clients.

Revenues from SaaS service before the end of 2024

Revenue recognized for each distinct performance obligation as control is transferred to the customer. Revenue attributable to hardware products bundled with Software-as-a-Service ("SaaS") offerings are recognized at the time control of the product transfers to the customer. The transaction price allocated to the SaaS offering was recognized ratably beginning when the customer was expected to activate their account and over a three-year period that the Company estimated based on the expected replacement of the hardware.

Revenues from SaaS service- MCN Digital Service in 2025

The Company expands SaaS operations as a digital service provider, delivering full-cycle services to brand clients through legally binding agreements since March 2025. The Company offers full-service account management, content production, and targeted promotion to grow followers across key platforms. Service packages customizable via the SaaS portal. Customers may purchase value-added services with or after their purchases of basic package. The Company's services comprise two distinct performance obligations: (1) the basic service, which represents a single performance obligation as the promises for account setup, SaaS platform access, account management, and basic digital content creation and publishing are highly interdependent and bundled together; and (2) the value-added services, which represents a performance obligation for additional digital content created and customized to meet the customer's special request. Each with a standalone transaction price. The Company recognizes revenues from basic services ratably over the contract term beginning on the commencement date of each contract. The revenues from value-added services are recognized at a point in time when customers approve or accept the value-added services or system automatically approves whichever is later. The Company requires an upfront payment for the services, which is non-refundable upon execution of the contract. Customers retain the right to terminate the contract prior to its expiration date, subject to the early termination fees, including information transfer fee and fan development fee.

Revenues from Software Service in 2025

The Company enters into bundled arrangements that typically include the sale of on-premise software licenses, customized modules, and maintenance and support ("M&S") services. These arrangements are evaluated to determine whether the promises represent distinct performance obligations. The customized modules are highly interdependent and interrelated with the software license and are therefore combined with the license as a single performance obligation, while the M&S services are capable of being distinct and are accounted for as a separate performance obligation. The M&S services are provided free of charge for a specified contract period, typically encompassing the first year of service following software delivery.

The transaction price is allocated to each performance obligation based on their relative stand-alone selling prices ("SSP"). The SSP for the combined software license and customized modules, and M&S services is determined using the adjusted market assessment approach, which considers market conditions, competitive pricing, the Company's market position, expected profit margins, and cost structure. Contracts include retention fees that represent variable consideration, as their payment is contingent upon no major defects being identified within a specified period. These retention fees are excluded from the initial transaction price. The related revenue is recognized only when it's probable that a significant reversal will not occur. Contracts for software licensing and M&S services generally include a renewal option for M&S services; however, the renewal option to acquire additional services is neither offered free of charge nor at a discount and accordingly does not represent a material right.

The Company provides assurance-type warranties to ensure that the delivered software complies with agreed-upon specifications. These warranties do not constitute a separate performance obligation as they cannot be purchased separately and do not provide a service beyond remedying defects to bring the software to the specified standard.

The Company's contracts typically specify a payment schedule whereby payments from the customer are linked to the signing of the contract and the achievement of specific milestones. Contracts are generally fixed price, and the Company has elected the practical expedient not to adjust the promised consideration for the effects of a significant financing component when the period between transfer of goods or services and customer payment is one year or less.

Revenue from the combined software license and customized modules is recognized over time as the Company fulfils its performance obligations by developing and enhancing the software assets throughout the project period. The Company recognizes revenue using the output method based on the measurements of the value of the services transferred to date in relation to total performance obligation promised. Revenue from maintenance and support services is recognized over time on a straight-line basis over the M&S contract period. This recognition pattern reflects the continuous transfer of services to the customer, who simultaneously receives and consumes the benefits of these services throughout the service period.

Revenues from Digital Authentication Service in 2025

The Company provides digital authentication services for artworks, leveraging AI and blockchain technology. Services include microstructure analysis, AI image comparison, authenticity determination, blockchain registration, and issuance of digital authentication reports. Service packages are offered in Standard and Expedited editions, with fees calculated based on the dimensions of the artwork and required to be fully paid in advance. The Company's services comprise a single performance obligation, as the promised services are highly interdependent and integrated to deliver a conclusive authentication outcome. The transaction price is fixed at contract inception. Revenue is recognized at a point in time upon delivery of the final digital authentication report and blockchain certificate to the client, when the client obtains control of the completed authentication package.

Remaining Performance Obligations

The remaining performance obligations represent the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting period. Unsatisfied and partially unsatisfied performance obligations consist of contract liabilities, in-transit orders with destination terms, and non-cancellable backlog. Non-cancellable backlog includes goods for which customer purchase orders have been accepted, that are scheduled or in the process of being scheduled for shipment, and that are not yet invoiced. Prior years' performance obligations were all satisfied and recognized as revenue in the periods before the end of 2024.

As of December 31, 2025, the remaining performance obligation related to MCN digital services purchased and paid for in advance by customers for basic and value-added packages amounted to \$1,497,721, equalling the balance of contract liabilities. This amount is expected to be recognized as revenue within the next 12 months.

The remaining performance obligation for software service as of December 31, 2025 was \$521,082, excluding retention fee. This amount relates to unsatisfied performance obligations for the combined software license and customized modules, which are expected to be recognized as revenue upon the completion and customer acceptance of specific milestones, predominantly within the next 3 months.

As of December 31, 2025, there was no remaining performance obligation for digital authentication services, as all services have been fully completed.

Contract Costs

The Company recognizes the incremental costs of obtaining a contract with a customer if the Company expects the benefit of those costs to be longer than one year. The Company has determined that certain sales commissions meet the requirements to be capitalized, and the Company amortizes these costs on a consistent basis with the pattern of transfer of the goods and services in the contract. Total capitalized costs to obtain a contract were immaterial during the periods presented and are included in other current and long-term assets on our condensed consolidated balance sheets if any.

The Company applies a practical expedient to expense costs as incurred for costs to obtain a contract when the amortization period is one year or less. These costs include sales commissions on SaaS contracts with a contract period of one year or less as sales commissions on contract renewals are commensurate with those paid on the initial contract.

Contract Balances

The Company records accounts receivable when it has an unconditional right to the consideration. The accounts receivable balances were \$2,110,715 and \$0 as of December 31, 2025 and December 31, 2024, respectively. Contract liabilities are recorded when customers remit payment prior to revenue recognition, representing the Company's obligation to transfer services in the future. Liabilities arise upon customer order placement. The Company did not have contract liabilities at December 31, 2024, while the ending balance at December 31, 2025 was \$1,497,721.

Disaggregation of Revenue

The following table sets forth our revenues by distribution channel:

	Years ended December 31,	
	2025	2024
Retailers	\$ -	\$ 638,904
Other online and offline channels	6,193,616	989
	<u>\$ 6,193,616</u>	<u>\$ 639,893</u>

The following table sets forth our revenues by product:

	Years ended December 31,	
	2025	2024
Cable Modems & gateways	\$ -	\$ 638,804
Other networking products	-	1,089
SaaS – MCN digital services	5,275,761	-
Software services	588,811	-
Digital authentication services	329,044	-
	<u>\$ 6,193,616</u>	<u>\$ 639,893</u>

The following table sets forth our revenues by the timing of revenue recognition:

	Years ended December 31,	
	2025	2024
Recognized at a point in time	\$ 5,183,731	\$ 639,893
Recognized over time	1,009,885	-
	<u>\$ 6,193,616</u>	<u>\$ 639,893</u>

(4) ASSET ACQUISITIONS

Acquisition of assets from Yixuntong

On June 30, 2025, FiEE (HK) Limited (“FiEE HK”) entered into and simultaneously closed an Asset Purchase Agreement with Hongyan Sun, Lin Lin, and Suzhou Yixuntong Network Technology Co., Ltd. (“Yixuntong”). Pursuant to the agreement, FiEE HK acquired a group of assets from Yixuntong with a total purchase price of \$1.4 million in cash.

The transaction was accounted for as an asset acquisition in accordance with ASC 805-50 and SEC Regulation S-X Rule 11-01(d). In evaluating the transaction, the Company applied the initial screen test and concluded that substantially all of the fair value of the gross assets acquired was concentrated in a group of proprietary software assets, including software source codes and related patents. The software copyrights and patents are used together to generate software service revenues and other potential SaaS-related revenues, and therefore, were considered a group of similar identifiable assets for purposes of the screen test. Accordingly, the transaction did not meet the definition of a business and was accounted for as an asset acquisition, with the total purchase consideration allocated to the acquired assets on a relative fair value basis.

The fair value of the proprietary software was determined using the multi-period excess earnings method (“MPEEM”) with the assistance of a third-party valuation specialist. As a result, approximately \$1.3 million of the total purchase consideration was allocated to proprietary software and recognized as an intangible asset, while approximately \$0.1 million of the total purchase consideration was allocated to vehicles and computers. The fair value measurement was based on significant assumptions, including projected revenues and cash flows, discount rates, contributory asset charges, and the estimated useful life of the asset, etc. The proprietary software is being amortized using the straight-line method over its estimated useful life of 3 years (see Note 5).

Acquisition of HGK

On November 30, 2025, FiEE, Inc. completed the acquisition of HGK through two simultaneously executed agreements: (i) a Share Purchase Agreement to acquire 100% of the outstanding equity interests for \$500,000, and (ii) a Technology Transfer Agreement to acquire all core technology assets, including software copyrights and patents, for \$3,000,000. The aggregate purchase price was \$3,500,000. The total acquisition cost, including transaction costs, amounted to \$3,522,907.

In accordance with ASC 810-10-40-6, the two agreements were entered into in contemplation of one another and were essentially a single transaction designed to achieve an overall commercial effect. Accordingly, the Share Purchase Agreement and the Technology Transfer Agreement have been combined and accounted for as a single transaction for financial reporting purposes.

The Company evaluated the transaction in accordance with the guidance in ASC 805 and determined that the acquired set of assets and liabilities did not meet the definition of a business because it did not include a substantive process that, together with the acquired inputs, would significantly contribute to the ability to create outputs. At the acquisition date, HGK had only one administrative employee and did not have an organized workforce with the necessary skills, knowledge, or experience to perform a substantive process. The seller possessed the underlying assets, technology, processes, and customer relationships prior to the acquisition and was not employed by the Company subsequent to the transaction. Accordingly, no substantive process was acquired, and the transaction was accounted for as an asset acquisition.

The total purchase consideration of the transaction, which is comprised of the cash consideration and transaction costs, was allocated to the assets acquired and the liabilities assumed, as well as the technology-based intangible assets on a relative fair value basis, as follows:

Cash consideration	\$ 3,500,000
Transaction costs	22,907
Total purchase consideration	\$ 3,522,907
Cash	\$ 35,603
Accounts receivable	1,521,800
Other assets	112,742
Accounts payable	(149,865)
Income tax payable	(526,077)
Other liabilities	(5,734)
Net assets acquired	\$ 988,469
Intangible assets acquired	2,534,438
Total costs of acquisition allocated	\$ 3,522,907

The acquired intangible asset represents a group of proprietary software assets, including software copyrights, patents, and other intellectual property related to digital authentication services for artworks, which was amortized using the straight-line method over the estimated useful life of 3 years (see Note 5).

The fair value of these intangible assets was determined using valuation techniques that incorporated significant unobservable inputs, including projected revenues, discount rates, and estimated useful lives, etc. The fair values of financial assets and liabilities, including accounts receivable, prepaid expenses, and accrued liabilities, approximated their respective carrying amounts at the acquisition date due to their short-term nature.

(5) BALANCE SHEET COMPONENTS

Property, equipment and software, net

Property, equipment and software, net consisted of the following:

	December 31,	
	2025	2024
Internal use software	\$ 271,088	\$ -
Equipment	8,137	2,621,706
Vehicles	133,852	-
Total property, equity and software	413,077	2,621,706
Accumulated depreciation and amortization	(46,638)	(2,501,835)
Total property, equipment and software, net	\$ 366,439	\$ 119,871

Depreciation expense was \$160 thousand and \$282 thousand for the years ended December 31, 2025 and 2024, respectively.

During the year ended December 31, 2025, the Company wrote off certain legacy equipment with an original cost of \$2,621,707 and accumulated depreciation of \$2,615,094, resulting in a net book value of \$6,613. The Company recorded a loss on disposal of \$6,613, which is included in other income (expense) in the consolidated statements of operations and comprehensive income (loss).

Intangible assets

As part of the asset acquisitions completed on June 30, 2025 and November 30, 2025 (see Note 4), the amount allocated to the intangible assets acquired was approximately \$1.3 million and \$2.5 million, respectively, primarily consisting of acquired proprietary software, which represent a group of copyrights and associated patents that are expected to provide future economic benefits to the Company. The allocation of the purchase price was performed on a relative fair value basis in accordance with ASC 805-50. The acquired group of proprietary software is being amortized over 3 years, its estimated useful life.

Intangible assets consisted of the following at December 31, 2025 and 2024:

	As of December 31, 2025			As of December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Acquired group of proprietary software	\$ 3,811,598	\$ (281,763)	\$ 3,529,835	\$ -	\$ -	\$ -
	<u>\$ 3,811,598</u>	<u>\$ (281,763)</u>	<u>\$ 3,529,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Amortization expense was \$282 thousand and \$33 thousand in the years ended December 31, 2025 and 2024, respectively.

Estimated amortization expenses for the future years are as follows:

Years ending December 31,	Amortization
2026	1,266,852
2027	1,266,852
2028	996,131
Total	<u>\$ 3,529,835</u>

Prepaid and other current assets

Prepaid and other current assets consisted of the following:

	December 31,	
	2025	2024
Insurance fee	\$ 53,015	\$ 119,757
Cloud hosting fee	78,414	-
Prepayment for property purchase	44,613	-
Other	23,267	15,000
Total prepaid and other current assets	<u>\$ 199,309</u>	<u>\$ 134,757</u>

Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

	December 31,	
	2025	2024
Payroll & related benefits	\$ 305,789	\$ -
Professional fees	271,501	185,000
Sales allowances	26,905	26,905
Sales and use tax	81,708	81,708
Other payable to Yixuntong ⁽¹⁾	435,957	-
Other ⁽²⁾	47,877	-
	<u>\$ 1,169,737</u>	<u>\$ 293,613</u>

(1) As of December 31, 2025, other payables to Yixuntong primarily included \$205 thousand for the assets acquisition, \$89 thousand for a software development, \$122 thousand for software maintenance and \$20 thousand for advanced cloud hosting fee.

(2) There was a balance of \$7,232 due to a stockholder of the Company, Cao Yu, which represents the amount paid by Cao Yu to support the Company's normal operating activities. The remaining balance was primary for the reimbursement payable to employees.

(6) LEASES

The Company's newly established Hong Kong subsidiary executed new office lease agreements in March 2025 and the Company's newly acquired Japan subsidiary executed office lease agreements since October 2024, which expire in July and September 2026, respectively. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. ROU assets and lease liabilities are recorded on the balance sheet for all leases, except leases with an initial term of 12 months or less.

The components of lease expenses were as follows:

	Years ended December 31,	
	2025	2024
Operating lease costs	\$ 51,978	\$ 22,512
Short-term lease costs	-	14,050
Total lease costs	<u>\$ 51,978</u>	<u>\$ 36,562</u>
Cash paid for amounts included in the measurement of lease liabilities	<u>57,786</u>	<u>22,512</u>

The weighted-average remaining lease term and discount rate were as follows:

	Years ended December 31,	
	2025	2024
Operating leases:		
Weighted average remaining lease term (years)	0.51	0.0
Weighted average discount rate	4.63%	0.0%

The Company leased office space from an affiliate entity owned by the Company's former Chairman of the Board. The lease expired and was not renewed in the first quarter of 2024.

(7) COMMITMENTS AND CONTINGENCIES

(a) Commitments

License agreement and settlement with Motorola

The Company was a party to a license agreement with Motorola Mobility LLC pursuant to which the Company has an exclusive license to use certain trademarks owned by Motorola Trademark Holdings, LLC for the manufacture, sale and marketing of consumer cable modem products, consumer routers, WiFi range extenders, MoCa adapters, cellular sensors, home powerline network adapters, and access points worldwide through a wide range of authorized sales channels. The license agreement had a term ending December 31, 2025 prior to its cancellation in 2023.

In connection with the license agreement, the Company had committed to reserve a certain percentage of wholesale prices for use in advertising, merchandising and promotion of the related products. Additionally, the Company was required to make quarterly royalty payments equal to a certain percentage of the preceding quarter's revenues with minimum annual royalty payments. Following the Company's agreement with Motorola Mobility LLC on January 22, 2024, as mentioned below. The Company's quarterly royalty payments, in addition to current and future obligations, were satisfied in exchange for certain assets of the Company.

The Company did not incur royalty expenses under the License Agreement for the year ended December 31, 2025 and 2024.

On January 22, 2024, the Company, entered into a Letter Agreement re Product Purchase (the "Letter Agreement") and a Debt Settlement Agreement (the "Settlement Agreement," and the Letter Agreement, the "Agreements") with Motorola Mobility, LLC ("Motorola"). Pursuant to the Letter Agreement, the Company (A) initially transferred a portion of its inventory to Motorola and (B) agreed to transfer the remainder of such inventory upon receipt of certain funding in order to satisfy liabilities owed to Motorola, while agreeing to continue to provide certain customer and technical support. Pursuant to the Settlement Agreement, the Company agreed (i) to pay Motorola a settlement amount of \$1,167,071 and (ii) to transfer additional funds as collected from the Company's customers in an amount up to \$263,752. The Company believes that the Agreements, together with arrangements it has finalized with other major vendors, will allow the Company to streamline its operations while reducing its current liabilities.

Property purchase agreement in Japan

In December 2025, HGK entered into a property purchase agreement with a third-party seller to acquire a property located in Osaka, Japan, for a total purchase price of JPY87,000,000 (approximately \$0.5 million). As of December 31, 2025, HGK had made an upfront payment of JPY 7,000,000 (approximately \$45 thousand), with the remaining balance of JPY 80,000,000 (approximately \$0.5 million) due and was paid in March 2026.

(c) Contingencies

Vendor Obligation Releases

In its efforts to manage its liquidity and cash-flow position, the Company negotiated and executed liability release agreements with certain vendors in the fourth quarter of 2023 who comprised \$5.0 million of outstanding accounts payable as of December 31, 2023. In aggregate, the executed release agreements resulted in a reduction of outstanding accounts payable obligations by \$3.6 million from \$5.0 million to \$1.4 million. The executed release agreements became effective and are contingent upon payment of the \$1.4 million negotiated amounts received during the period of the first quarter of 2024. In addition, the Company agreed to pay certain vendors an additional \$0.4 million contingent upon successful collection of customer receivables. After the collection of customer receivables, the contingent amount was amended to \$0.3 million during the period ended June 30, 2024. In July 2024, the Company paid the contingent amount of \$0.3 million to its vendors.

Contingencies on potential lawsuits

The Company is party to various lawsuits and administrative proceedings arising in the ordinary course of business. The Company evaluates such lawsuits and proceedings on a case-by-case basis, and its policy is to vigorously contest any such claims which it believes are without merit.

The Company reviews the status of its legal proceedings and records a provision for a liability when it is considered probable that both a liability has been incurred and the amount of the loss can be reasonably estimated. This review is updated periodically as additional information becomes available. If both criteria are not met, the Company reassesses whether there is at least a reasonable possibility that a loss, or additional losses, may be incurred. If there is a reasonable possibility that a loss may be incurred, the Company discloses the estimate of the amount of the loss or range of losses - that the amount is not material, or that an estimate of the loss cannot be made. At December 31, 2025, the Company is not currently a party to any legal proceedings that, if determined adversely to the Company, in management's opinion, are currently expected to individually or in the aggregate have a material adverse effect on the Company's business, operating results or financial condition taken as a whole. The Company expenses its legal fees as incurred.

In the ordinary course of its business, the Company is subject to lawsuits, arbitrations, claims, and other legal proceedings in connection with their business. Some of the legal actions include claims for substantial or unspecified compensatory and/or punitive damages. A substantial adverse judgment or other unfavorable resolution of these matters could have a material adverse effect on the Company's financial condition, results of operations, and cash flows. Management believes that the Company has adequate legal defenses with respect to the legal proceedings to which it is a defendant or respondent, and that the outcome of these pending proceedings is not likely to have a material adverse effect on the financial condition, results of operations, or cash flows of the Company. However, the Company is unable to predict the outcome of these matters.

Uncertainty on the business operations

For the year ended December 31, 2025, the Company's operations depended in part on the continued service of its senior management, whose relationships with artists support the expansion and development of the Company's primary customer base. The loss of key management or technical personnel could adversely affect the Company's ability to maintain these relationships and develop its technology-driven services.

(8) SIGNIFICANT CUSTOMER AND DEPENDENCY ON KEY SUPPLIERS

During the year ended December 31, 2025, the Company had one customer, with outstanding accounts receivable balance that accounted for around 75% of the Company's total accounts receivable. Most of this accounts receivable was acquired through the Company's acquisition of its Japanese subsidiary, HGK, on November 30, 2025, and contributed 1% to the Company's revenue for the year ended December 31, 2025. Other than this customer, the Company did not have sales or outstanding accounts receivable balance that accounted for 10% or greater individually of the Company's total revenues and accounts receivable, respectively. The Company's primary customers for the year ended December 31, 2025 are artists.

(9) CONVERTIBLE NOTE PAYABLE TO RELATED PARTY

The Company entered into an unsecured promissory note (the “Convertible Note”) effective February, 18, 2025, with David Lazar, a stockholder holding more than 10% of the Company’s outstanding shares and a former officer and director. Under the terms of the Convertible Note, the Company agreed to pay Mr. Lazar a principal amount of \$300,000, bearing interest at an annual rate of approximately 4.34%, with the full principal and interest balance due on or before December 31, 2025. Upon stockholders’ approval, the Convertible Note will automatically convert into shares of the Company’s common stock at a conversion price of \$0.25 per share.

The Convertible Note to related party is accounted for as a single liability in accordance with Accounting Standards Update (ASU) 2020-06, Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.

On October 27, 2025, at the Company’s 2025 Annual Meeting of Stockholders, stockholders approved the conversion of the Convertible Note. Pursuant to the terms of the Convertible Note, it automatically converted into 1,235,814 shares of common stock. As of December 31, 2025, the Convertible Note had no outstanding balance.

(10) RELATED PARTY TRANSACTION

The Company had the following related party transactions during the year ended December 31, 2025 and 2024:

- Lease from the Company’s former officer, see Note 6 for details.
- Amount paid by a stockholder for operating activities and the balance due as of December 31, 2025. See Note 5 for details.
- Convertible note issued to a related party. See Note 9 for details.
- Equity transactions with stockholders. See Note 12 for details.

(11) EARNINGS (LOSS) PER SHARE

The Company’s Series A Preferred Stock is considered a participating security because it has the right to participate in dividends with common shareholders on an as-converted basis. Accordingly, the Company applies the two-class method to compute basic and diluted earnings (loss) per share. Under the two-class method, net income is allocated between common shareholders and participating securities based on their respective rights to receive dividends as if all earnings for the period had been distributed. Net losses are not allocated to the Series A Preferred Stock, as holders do not have a contractual obligation to share in losses.

Diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Potentially dilutive securities include convertible preferred stock, warrants, and restricted shares. Warrants and restricted shares are included in diluted EPS using the treasury stock method. For convertible preferred stock that is a participating security, diluted EPS is calculated using the more dilutive of the two-class method or the if-converted method in accordance with ASC 260. Under the two-class method, the numerator used in diluted EPS is consistent with that used in basic EPS. Potential common shares are included only to the extent they are dilutive, and anti-dilutive securities are excluded.

Earnings (loss) per share for the year ended December 31, 2025 and 2024, respectively, are as follows:

	Years ended December 31,	
	2025	2024
Basic earnings per common share:		
Net income (loss)	\$ 1,072,434	\$ (4,224,278)
Less: Preferred stock dividend declared	-	-
Income (loss) available for distribution	1,072,434	\$ (4,224,278)
Less: Income allocated to participating securities	(391,125)	-
Net income (loss) available to common stockholders	\$ 681,309	(4,224,278)
Weighted average basic shares outstanding	5,622,077	3,159,061
Basic earnings (loss) per common share	\$ 0.12	\$ (1.34)
Diluted earnings per common share:		
Net income (loss) available to common stockholders	\$ 681,309	\$ (4,224,278)
Weighted average basic shares outstanding	\$ 5,622,077	3,159,061
Dilutive effect related to warrants	1,370,399	-
Dilutive effect related to restricted stocks with service conditions	88,157	-
Weighted average diluted shares outstanding	\$ 7,080,633	3,159,061
Diluted earnings (loss) per common share	\$ 0.10	\$ (1.34)

Diluted loss per common share for the year ended December 31, 2025 and 2024 excludes the effects of 3,227,500 and 5,536,126 common share equivalents respectively, since such inclusion would be anti-dilutive. The common share equivalents consist of shares of common stock issuable upon the exercise or conversion of outstanding Series A preferred stock, warrants, and restricted shares with a service condition.

(12) EQUITY

Preferred Stock and Warrants

On January 23, 2024, the Company entered into a Securities Purchase Agreement (the “Purchase Agreement”) with David Lazar (“Lazar”), a member of our Board of Directors, whereby, at the closing of the transactions contemplated by the Purchase Agreement (the “Closing”), the Company sold and Lazar (or to any transferee of Lazar’s which acquires the Securities Purchase Rights, as defined below, hereinafter a “Lazar Transferee”) purchased 2,000,000 shares of the Company’s preferred stock, \$0.001 par value per share (the “Preferred Stock”), at a price per share of \$1.40, for an aggregate purchase price of \$2,800,000, subject to the conditions described below, pursuant to the exemptions afforded by the Securities Act and Regulation S thereunder. Under the Purchase Agreement, the Company agreed to designate 2,000,000 of the Preferred Stock as Series A Preferred Stock (the “Series A Preferred Stock”) for the sale to Lazar (or a Lazar Transferee). Each share of Series A Preferred Stock shall be convertible, at the option of the holder, into 1.4 shares of common stock of the Company, \$0.01 par value per share (the “Common Stock”), and vote on an “as-if-converted” basis and shall have full ratchet protection in any subsequent offerings. Pursuant to the Purchase Agreement, the Company shall also issue Lazar (or a Lazar Transferee) warrants to purchase up to an additional 2,800,000 shares of Common Stock, with an exercise price equal to \$1.00 per share, subject to adjustment therein (the “Warrants,” and together with the Series A Preferred Stock, the “Purchased Securities”).

The Company evaluated the Series A Preferred Stock and Warrants for liability or equity classification in accordance with the provisions of ASC 480, *Distinguishing Liabilities from Equity*, and determined that equity treatment was appropriate because neither the Series A Preferred Stock nor the Warrants met the definition of liability instruments.

The Warrants are classified as component of permanent equity because they are freestanding financial instruments that are legally detachable and separately exercisable from the shares of common stock with which they were issued, are immediately exercisable, do not embody an obligation for the Company to repurchase its shares, and permit the holder to receive a fixed number of shares of common stock upon exercise. In addition, the Warrants do not provide any guarantee of value or return. The Company valued the Warrants at issuance using the Black-Scholes option pricing model and determined the fair value of the Warrants to purchase 2,800,000 shares of the Company's common stock at \$4.7 million. The key inputs to the valuation model included a weighted average volatility of 162.0% and an expected term of 3.0 years.

The proceeds from the issuance of the Series A Preferred Stock to the Company were allocated based on the relative fair value of the Warrants as compared to the fair value of the Series A Preferred Stock. The fair value of the Warrants incorporates assumptions regarding our common stock price, dividend yield, stock price volatility, as well as assumptions regarding the risk-free interest rate. Using this model, the Warrants was valued at \$1.4 million at January 23, 2024 and was included in additional paid in capital on our condensed consolidated balance sheet.

The fair value of the Series A Preferred Stock was determined based on assumptions that incorporated our common stock price and dividend rate. The Company valued the Series A Preferred Stock at \$4.5 million. Based on the fair value model to allocate the Series A Preferred Stock proceeds, the Series A Preferred Stock was valued at \$1.4 million at January 23, 2024 and was included in Series A Preferred Stock on our condensed consolidated balance sheet.

On February 26, 2024, the Company held a special meeting of stockholders, who voted and approved (i) the issuance of shares of our Common Stock upon conversion of Series A Preferred Stock or exercise of the Warrants to be issued at Closing of the Purchase Agreement, which conversions or exercise would result in a "change of control" of the Company under the applicable rules of Nasdaq and (ii) an amendment to the Company's Amended and Restated Certificate of Incorporation (the "Existing Charter") to effect the increase in authorized shares of Preferred Stock to 10,000,000. Except for stock dividends or distributions for which adjustments are to be made pursuant to the Existing Charter, Holders of Series A Preferred Stock shall be entitled to receive, and the Company shall pay, dividends on shares of Series A Preferred Stock equal (on an as-if-converted-to-Common-Stock basis, without regard to conversion limitations herein) to and in the same form as dividends actually paid on shares of the Common Stock when, as and if such dividends are paid on shares of the Common Stock. No other dividends shall be paid on shares of Series A Preferred Stock.

On February 18, 2025, the Company entered into a Securities Purchase Agreement (the "February 18, 2025 SPA") with David Lazar ("Seller"), and Cao Yu, Hu Bin, and Youxin Consulting Limited (collectively, the "Purchasers"), which was subsequently amended on May 9, 2025. Pursuant to the February 18, 2025 SPA and its amendment, Seller, a former director and officer of the Company, sold to the Purchasers (i) 2,219,447 shares of Series A Preferred Stock, (ii) a warrant to purchase up to 2,800,000 shares of Common Stock at an exercise price of \$1.00 per share, subject to adjustment (the "Warrant"), and (iii) certain receivables owed by the Company to Seller associated with the transaction (the "Lazar Receivables"). On April 10, 2025, Seller transferred an additional 31,258 shares of Series A Preferred Stock to the Purchasers (together with the previously transferred shares and the Warrant, the "Securities"). The aggregate purchase price for the Securities and the Lazar Receivables was \$500,000, of which \$300,000 was directed by Seller to be paid to the Company in exchange for a convertible note (see Note 9). The Purchasers also paid a \$3.4 million earn-out payment to Seller for his efforts related to the Company's successful relisting on Nasdaq as of June 30, 2025. As of June 30, 2025, the Lazar Receivables were forgiven for the benefit of the Company, and the Warrant was amended and restated to eliminate the beneficial ownership limitations previously contained therein.

Securities Purchase Agreements

On May 9, 2025, the Company entered into, and simultaneously closed the transactions under, Securities Purchase Agreements with Cao Yu and Hu Bin, pursuant to which the Company sold an aggregate of 2,439,025 shares of its common stock—1,585,366 shares to Cao Yu for a purchase price of \$2,600,000 and 853,659 shares to Hu Bin for a purchase price of \$1,400,000.

Helena Purchase Agreement

On May 9, 2025, the Company entered into a Purchase Agreement (the “Helena Purchase Agreement”) with Helena Global Investment Opportunities I Ltd. (“Helena”) whereby the Company shall have the right to issue and sell to Helena, from time to time, and Helena shall purchase from the Company, up to \$15,000,000 of Common Stock, during the period commencing on May 9, 2025 and ending on the first day of the month immediately following the 36-month anniversary of May 9, 2025.

The closing of each Advance and each sale and purchase of Common Stock related to each Advance (each, a “Closing”) shall take place on the applicable Settlement Date (as defined in the Helena Purchase Agreement), at a Purchase Price (as defined in the Helena Purchase Agreement) based on 95% of the lowest VWAP for the Common Stock, in respect of any Advance, during the three (3) trading days commencing on the date of Helena’s receipt of the shares of Common Stock relating to such Advance.

In consideration for Helena’s execution and delivery of the Helena Purchase Agreement, the Company issued to Helena, as a commitment fee, shares of Common Stock (the “Commitment Fee Shares”), having an aggregate value of \$150,000, of which (i) 71,572 shares were issued on May 14, 2025, and (ii) 71,572 shares were issued on August 11, 2025. The Commitment Fee Shares were fully earned as of the agreement date, and the issuance of the Commitment Fee Shares was not contingent upon any other event or condition. The number of the Commitment Fee Shares issued in each tranche was determined by dividing \$75,000 by the lowest Volume Weighted Average Price (VWAP) of the Company’s common stock during the five trading days immediately preceding the agreement date.

July 2025 Warrant

On July 2, 2025, the Company issued a warrant to purchase 404,002 shares of Common Stock with an exercise price of \$0.01 per share, subject to stockholder approval (the “July 2025 Warrant”), to David Lazar. This warrant was issued as compensation for services provided by David Lazar.

In accordance with the accounting requirements of ASC 718, “Compensation—Stock Compensation,” and ASC 505-50, “Equity—Equity-Based Payments to Non-Employees,” the Company measured this equity instrument at fair value and recognized the compensation cost immediately on the grant date. Using the Black-Scholes option pricing model, with key inputs including a fair value of the underlying common stock of \$2.67, an exercise price of \$0.01 per share, an expected term of 0.405 years, a risk-free interest rate of 4.33%, expected volatility of 90%, and a dividend yield of 0%, the fair value of this warrant was determined to be \$1,074,715.55 as of July 2, 2025. On the grant date, the Company recognized the compensation expense with a corresponding credit to APIC.

On November 12, 2025, David Lazar exercised the warrant through a cashless exercise mechanism. Pursuant to the cashless exercise, 402,347 shares of common stock were issued. The warrant was fully settled upon this exercise and no longer remains outstanding.

Stock-Based Compensation

On April 29, 2025, the Company entered into Director Agreements with two independent directors, pursuant to which each director is entitled to receive 100,000 shares of the Company’s common stock, provided they remain a director for one year from the effective date of the Director Agreements. The grant date for these equity awards was April 29, 2025, with a one-year service period ending on April 29, 2026.

Compensation expense is recognized on a straight-line basis over the service period. For the year ended December 31, 2025, the Company recognized \$122,667 of stock-based compensation expense related to these awards, representing the portion of the service period completed during 2025. This amount is recorded as an increase to additional paid-in capital and is included in general and administrative expenses in the consolidated statements of operations.

(13) INCOME TAXES

The components of income (loss) before income taxes were as follows:

	2025	2024
Domestic	\$ (2,209,175)	\$ (4,235,494)
Foreign	3,729,813	-
Income (loss) before income taxes	<u>\$ 1,520,638</u>	<u>\$ (4,235,494)</u>

Income tax expense (benefit) consisted of:

	Current	Deferred	Total
Year Ended December 31, 2025:			
U.S. Federal	\$ -	\$ -	\$ -
State and local	-	-	-
Foreign	448,204	-	448,204
	<u>\$ 448,204</u>	<u>\$ -</u>	<u>\$ 448,204</u>
Year Ended December 31, 2024:			
U.S. Federal	\$ -	\$ -	\$ -
State and local	(11,216)	-	(11,216)
Foreign	-	-	-
	<u>\$ (11,216)</u>	<u>\$ -</u>	<u>\$ (11,216)</u>

The Company is subject to taxation in certain foreign jurisdictions. Earnings from non-U.S. activities are subject to local country income tax.

Entity incorporated in Hong Kong is subject to Hong Kong Profits Tax at a rate of 8.25% on the first HKD 2 million of assessable profits and at 16.5% thereon. There are no withholding taxes on the payment of dividends by entities incorporated in Hong Kong to their stockholders.

Entities incorporated in Japan are subject to Japanese corporate income tax at an effective rate of approximately 37% (including national and local taxes).

For the year ended December 31, 2025, the Company recorded an income tax expense of \$448,204, consisting primarily of current Hong Kong Profits Tax of \$698,799 attributable to the profitable operations of the Hong Kong subsidiary, net of an income tax benefit of \$250,595 for the net operating loss incurred by the Japan subsidiary in December 2025. No income tax provision has been made for the U.S. corporation due to the net operating losses carryover, and no income tax benefit related to the net operating losses is recognized, as a full valuation allowance is established for the U.S. corporation.

As of December 31, 2025, the balance of income tax payable of the Company was approximately \$1.0 million, of which \$0.5 million was related to the acquisition of HKG (see Note 4).

The Company paid nil for income taxes for each of the year ended December 31, 2025 and 2024.

The principal components of deferred tax assets, net, were as follows:

As of December 31	2025	2024
Deferred income tax assets:		
Net operating loss and tax credit carry forwards	14,327,056	14,629,440
Stock compensation	25,762	-
Total deferred income tax assets	14,352,818	14,629,440
Valuation allowance	(14,352,818)	(14,629,440)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2025, the Company had Federal net operating loss (“NOL”) carryforwards of approximately 68.2 million, which are available to offset future taxable income. These NOL carryforwards expire in varying amounts beginning in 2026 through 2045. The Company has recorded a full valuation allowance against its deferred tax assets, as management has determined that it is more likely than not that the tax benefits associated with these deferred tax assets will not be realized.

The valuation allowance changed by \$ 276,622 during the year ended December 31, 2025, primarily due to the expiration of certain net operating loss carryforwards, the utilization of net operating loss carryforwards against taxable income generated during the year, and an increase in deferred tax assets related to share-based compensation recognized during the period. During the year ended December 31, 2024, the change in valuation allowance was primarily attributable to net operating losses incurred during the year and the expiration of certain net operating loss carryforwards.

The differences between income taxes expected at the U.S. federal statutory income tax rate and income taxes reported were as follows:

	2025	
	\$	%
Income before income taxes	\$ 1,520,638	
U.S. Federal Statutory Tax Rate	319,334	21.0%
Foreign Tax Effects		
Hong Kong		
Statutory tax rate difference between Hong Kong and United States	(220,262)	-14.5%
Japan		
Statutory tax rate difference between Japan and United States	(108,220)	-7.1%
Other	(6,575)	-0.4%
Effect of Cross-Border Tax Laws		
Global intangible low-taxed income	917,111	60.3%
Changes in Valuation Allowances	(276,622)	-18.2%
Other Adjustments	(176,562)	-11.6%
Effective Tax Rate	<u>\$ 448,204</u>	<u>29.5%</u>

The material jurisdictions where the Company is subject to potential examination by tax authorities include the U.S., Hong Kong and Japan.

Tax years after 2021 remain subject to examination for both U.S. Federal and state tax reporting purposes. For the Company's Hong Kong subsidiary, which was established in March 2025, all tax years since its incorporation remain subject to examination. For the Company's Japanese subsidiary, which was established in October 2024 and acquired in November 2025, all tax years since its incorporation remain subject to examination.

(14) SUBSEQUENT EVENTS

The Company has evaluated subsequent events from December 31, 2025 through the date of this filing and has determined that there are no additional events requiring recognition or disclosure in the financial statements except for the events as disclosed below:

Private Placement

On January 30, 2026, the Company entered into a securities purchase agreement with certain accredited investors for the sale and issuance of 394,476 shares of the Company's common stock in a private placement. The shares were sold at a price of \$5.07 per share, resulting in expected gross proceeds of approximately \$2.0 million, before deducting offering expenses. The Company intends to use the net proceeds for potential future acquisitions and general corporate purposes. The closing of the private placement is expected to occur no later than 60 calendar days following January 30, 2026. In connection with the private placement, the Company has agreed to file a resale registration statement with the SEC covering the shares within 60 days of the closing of the transaction.

ITEM 9 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The information required by this Item was previously reported in the Company's Current Report on Form 8-K filed with the SEC on July 16, 2025.

ITEM 9A – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer of the Company, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

In connection with the preparation of this Annual Report, we carried out an evaluation, under the supervision and with the participation of our management including our Chief Executive Officer and Chief Financial Officer of the Company, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of December 31, 2025. Based upon that evaluation and other than as disclosed herein, our Chief Executive Officer and Chief Financial Officer concluded that as of the end of the period covered by this Annual Report, the Company's disclosure controls and procedures were not operating effectively due to the material weakness in internal control over financial reporting described below.

Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. During the year ended December 31, 2025, management identified a material weakness in our internal control over financial reporting that existed due to insufficient accounting staffing during the Company's restructuring and new business launch, resulting in reduced review capabilities and prior-period errors which have since been corrected. The Company was not able to attract, develop and retain sufficient resources to fulfill internal control responsibilities, resulting in the lack of a sufficient complement of personnel with an appropriate degree of knowledge and experience. Management has implemented the following plan in remediating this weakness, as described below.

Plan of Remediation of Material Weakness in Internal Control Over Financial Reporting

To address the material weakness, management has developed and has been actively implementing the following remediation plan:

- **Increase Accounting Staffing:** We have successfully allocated additional resources to the accounting department. During the third quarter of 2025, we hired one additional qualified accounting personnel with the required SEC expertise to ensure sufficient staffing levels for accurate and timely financial reporting.
- **Enhance Review Processes:** Management has implemented enhanced review and approval procedures for journal entries and financial reporting, including establishing more rigorous internal controls and implementing a formalized review process for all significant financial transactions. These enhanced procedures are now in effect and are being consistently applied.

- **Training and Development:** We have provided additional training to key personnel involved in the financial reporting process to enhance their knowledge and capability in identifying and addressing accounting and financial reporting issues.
- **Ongoing Monitoring and Evaluation:** Management will continuously monitor and assess the effectiveness of these measures to ensure that the remediation efforts are achieving their intended objectives. This includes ongoing evaluation of the newly implemented staffing enhancements and reinforced review processes.

We will continue to evaluate and improve our internal control over financial reporting to address this issue and ensure the effectiveness of our financial reporting processes. Although we have taken steps to implement our remediation plan, the material weakness will not be considered remediated until the enhanced controls operate for a sufficient period of time and management has concluded, through testing, that the related controls are effective. We will continue to monitor the effectiveness of our remediation plan and refine the remediation plan as appropriate.

Changes in Internal Control Over Financial Reporting

The Company has implemented certain changes in its internal controls, including the addition of qualified accounting personnel and the formalization of enhanced review procedures, to remediate the material weakness described above. Except as noted above, no change to the Company's internal control over financial reporting occurred during the year ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

ITEM 9B – OTHER INFORMATION

Rule 10b5-1 Trading Plans

No officers, as defined in Rule 16a-1(f) of the Exchange Act, or directors adopted and/or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K Item 408, during the fiscal quarter ended December 31, 2025.

ITEM 9C – DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10 – DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item is incorporated by reference from the Company's definitive proxy statement to be filed no later than 120 days after December 31, 2025 (the "Definitive Proxy Statement").

The Board has adopted an insider trading policy which governs the purchase, sale, and/or other dispositions of our securities by directors, officers, and employees and other covered persons and is designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Annual Report. In addition, with regard to the Company's trading in its own securities, it is the Company's policy to comply with the federal securities laws and the applicable exchange listing requirements.

ITEM 11 – EXECUTIVE COMPENSATION

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference into this Annual Report into this Annual Report.

ITEM 12 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference into this Annual Report.

ITEM 13 – CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference into this Annual Report.

ITEM 14 – PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item will be contained in the Definitive Proxy Statement and is incorporated herein by reference into this Annual Report.

PART IV

Item 15. Exhibits and Consolidated Financial Statement Schedules

(a) (1) and (2). Financial Statements.

See Index to Financial Statements under Item 8 in Part II hereof where these documents are listed. All schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(a) (3). Exhibits.

The following is a list of exhibits:

ITEM 15 – EXHIBITS AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

(a) Consolidated Financial Statements, Schedules and Exhibits:

(1), (2) The Consolidated Financial Statements and required schedules are indexed on page F-1.

(3) Exhibits required by the Exhibit Table of Item 601 of SEC Regulation S-K. (Exhibit numbers refer to numbers in the Exhibit Table of Item 601.)

Exhibit No.	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form 10 filed by the Company on September 4, 2009).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on November 18, 2015).
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company on November 18, 2015).
3.4	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on July 30, 2019).
3.5	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on June 4, 2021).
3.6	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company on June 4, 2021).
3.7	Certificate of Correction of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K/A filed by the Company on June 30, 2021).
3.8	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on July 23, 2021).
3.9	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to Form 8-K filed by the Company on March 31, 2023).
3.10	Certificate of Designation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on March 1, 2024).

3.11	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on March 6, 2024).
3.12	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on February 28, 2025).
3.13	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on August 7, 2025).
3.14	Second Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on March 28, 2025).
4.1*	Description of Securities.
4.2	Unsecured Promissory Note by and between the Company and David Lazar, dated May 9, 2025 (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Company on May 12, 2025).
10.1	Amended and Restated Securities Purchase Agreement by and among the Company, the Purchasers and Seller, effective as of February 18, 2025. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on February 24, 2025).
10.2	Amendment No. 1 to the Securities Purchase Agreement dated as of November 12, 2024 by and among the Purchasers and the Company, effective as of February 18, 2025 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on February 24, 2025).
10.3*+	Form of Director Agreement.
10.4+	FiEE, Inc. 2025 Equity Incentive Plan (incorporated by reference to Exhibit 4.16 to the Form S-8 filed by the Company on December 23, 2025).
10.5	Securities Purchase Agreement by and between the Company and Cao Yu, dated May 9, 2025 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on May 12, 2025).
10.6	Securities Purchase Agreement by and between the Company and Hu Bin, dated May 9, 2025 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on May 12, 2025).
10.7	Purchase Agreement by and between the Company and Helena Global Investment Opportunities I Ltd., dated May 9, 2025 (incorporated by reference to Exhibit 10.3 to the Form 8-K/A filed by the Company on May 12, 2025).
10.8	Second Amended and Restated Securities Purchase Agreement by and among the Company, David Lazar, Cao Yu, Hu Bin and Youxin Consulting Limited, dated May 9, 2025 (incorporated by reference to Exhibit 10.4 to the Form 8-K filed by the Company on May 12, 2025).
10.9	Services Agreement by and between the Company and David Lazar, dated May 9, 2025 (incorporated by reference to Exhibit 10.5 to the Form 8-K filed by the Company on May 12, 2025).
10.10	Asset Purchase Agreement, dated as of June 30, 2025, by and among FiEE (HK) Limited, Hongyan Sun, Lin Lin and Suzhou Yixuntong Network Technology Co., Ltd (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on July 2, 2025).
10.11	Share Purchase Agreement, dated as of November 27, 2025, by and among FiEE, Inc., Yang Zhiqin and Lin Lin (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on December 2, 2025).

10.12	Technology Transfer Agreement, dated as of November 27, 2025, by and between FiEE, Inc. and Lin Lin (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on December 2, 2025).
10.13	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on February 2, 2026).
10.14	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on February 2, 2026).
10.15*	Amendment No. 1 to Securities Purchase Agreement dated as of January 30, 2026 by and among the Company and the Purchasers therein, effective as of February 28, 2026.
19.1*	Insider Trading Policy.
21.1*	Subsidiaries.
23.1*	Consent of Independent Registered Public Accounting Firm (UHY LLP).
23.2*	Consent of Independent Registered Public Accounting Firm (Beckles & Co.).
31.1*	CEO Rule 13a-14(a)/15d-14(a) Certification.
31.2*	CFO Rule 13a-14(a)/15d-14(a) Certification.
32.1**	CEO Section 1350 Certification.
32.2**	CFO Section 1350 Certification.
97*	Incentive Compensation Recovery Plan.
101.INS**	Inline XBRL Instance Document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

+ Management contract or compensatory plan or arrangement.

ITEM 16 – FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FiEE, INC.

Date: March 20, 2026

By: /s/ Li Wai Chung
Li Wai Chung
Chief Executive Officer and President
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoint Li Wai Chung and Cao Yu, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or any of them or their or his substitute or substituted, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ Li Wai Chung</u> Li Wai Chung	Chief Executive Officer and President (Principal Executive Officer)	March 20, 2026
<u>/s/ Cao Yu</u> Cao Yu	Chief Financial Officer and Director (Principal Financial Officer and Principal Accounting Officer)	March 20, 2026
<u>/s/ Hongya Wen</u> Hongya Wen	Chairperson of the Board of Directors	March 20, 2026
<u>/s/ Hu Bin</u> Hu Bin	Director	March 20, 2026
<u>/s/ David Natan</u> David Natan	Director	March 20, 2026
<u>/s/ Chan Oi Fat</u> Chan Oi Fat	Director	March 20, 2026

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

Commission File Number: **001-37649**

FIEE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

04-2621506

(I.R.S. Employer
Identification No.)

3-33, 2-chome Utajima, Nishiyodogawa District, Osaka, Japan

(Address of Principal Executive Office) (Zip Code)

852-28166813

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12 (b) of the Act:

Title of Each Class	Trading Symbol	Name of Exchange on which Registered
Common Stock, \$0.01 par value	FIEE	The Nasdaq Capital Market

Securities Registered Pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of the shares of the registrant’s common stock, \$0.01 par value (“common stock”) on the Nasdaq Capital Market on June 30, 2025, the last business day of the registrant’s most recently completed second quarter, was approximately \$6.0 million.

The number of shares outstanding of the registrant’s common stock, \$0.01 par value, as of March 16, 2026 was 7,934,122 shares.

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EXPLANATORY NOTE

FiEE, Inc. (the “Company,” “we,” “us” or “our”) is filing this Amendment No. 1 (this “Amendment”) to its Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 20, 2026 (the “Original Form 10-K”).

This Amendment is being filed for the purpose of (i) restating Part I, Item 1 (Business) and Part I, Item 1A (Risk Factors) and (ii) including certain information required by Part III of Form 10-K. The Part III information was previously omitted from the Original Form 10-K in reliance on General Instruction G(3) to Form 10-K, which permits such information to be incorporated by reference from the Company’s definitive proxy statement, provided such proxy statement is filed no later than 120 days after the end of the fiscal year.

Pursuant to SEC rules, we have included as exhibits certifications dated as of the date of this Amendment required under Section 302 of the Sarbanes-Oxley Act of 2002 with paragraphs 3, 4, and 5 of the certifications omitted because no financial statements are included in this Amendment. Since no financial statements are included in this Amendment, we are not including certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. We are also amending Part IV, Item 15 to reflect the inclusion of such certifications. In addition, we have made certain revisions to the cover page, including deletion of the reference to our proxy statement.

Except as expressly set forth herein, this Amendment does not amend, update, or modify the disclosures in, or exhibits to, the Original Form 10-K, or otherwise reflect events occurring after the filing date of the Original Form 10-K. Terms used but not defined herein have the meaning set forth in the Original Form 10-K.

PART I

ITEM 1 – BUSINESS

Overview

FiEE, Inc. (formerly, Minim, Inc.) was founded in 1977 as a networking company and historically delivered a comprehensive WiFi/Software as a Service (“SaaS”) platform to make connected homes safe and supportive for life and work. During this period, we held the exclusive global license to design, manufacture, and sell consumer networking products under the Motorola brand until 2023. Our legacy cable and WiFi products, including cable modems, routers, and mesh networking devices, were sold in leading retailers and e-commerce channels in the United States (“U.S.”)

Building upon our history in networking and software, we are currently transforming our operations as a digital service provider focused on integrating artificial intelligence (“AI”) and data analytics into content creation, digital authentication, and brand management. Our current business model leverages a cloud-based SaaS platform designed to support clients in developing, managing, and optimizing their digital presence across global platforms, including customized graphic and posts, short videos, and editorial calendars aligned with brand goals. Additionally, we offer comprehensive software development and maintenance services, delivering custom software solutions from system design and development to deployment and post-launch maintenance. In July 2025, we formally launched customized software services. This transition represents a strategic pivot toward high-growth, emerging technology sectors, including AI, blockchain, and the Multi-Channel Network (“MCN”) ecosystem.

On November 30, 2025, we completed the acquisition of Houren-Geiju Kabushikikaisha (“HGK”), a Japanese technology company specializing in digital authentication services for art collections. HGK leverages artificial intelligence and blockchain technology to provide artwork authentication, certification, and display services to individual and corporate clients. This acquisition introduces AI image recognition and blockchain authentication technologies to our service portfolio, further bolstering our technological capabilities and optimizing our comprehensive brand management solutions for customers.

Legal and Operational Risks of Doing Business in Hong Kong

We are a Delaware corporation that conducts all of our current revenue generating operations through our wholly owned subsidiaries, principally FiEE (HK) Limited, incorporated in Hong Kong in March 2025 (“FiEE (HK)”). Our investors hold shares of common stock in FiEE, Inc., the Delaware corporation, and not directly in our subsidiaries, including our Hong Kong subsidiary. This structure presents unique risks, as our investors will be dependent upon contributions from our subsidiaries to finance our cash flow needs, and our ability to obtain such contributions is significantly affected by regulations promulgated by Hong Kong and PRC authorities. Any change in the interpretation of existing rules and regulations or the promulgation of new rules and regulations, including those related to national security, anti-monopoly, cybersecurity, and foreign investment, may materially affect our operations or the value of our securities, including causing the value of our securities to significantly decline or become worthless. For a detailed description of the risks facing the Company associated with our structure, please refer to “*Risk Factors — Risks Related to Doing Business in Hong Kong.*”

We and FiEE (HK) are not currently required to obtain permission or approval from the China Securities Regulatory Commission (the “CSRC”), the Cyberspace Administration of China, or any other Chinese authorities to operate our business or to issue securities to foreign investors. However, in light of recent statements and regulatory actions by the PRC government, including those related to Hong Kong’s national security and evolving regulations governing data security, cybersecurity, and foreign investment, we may be subject to the risks of uncertainty of any future actions of the PRC government, including the risk that applicable laws or interpretations change such that we are required to obtain approvals in the future. There is a risk that the Chinese government may intervene or influence our operations at any time and, to the extent the PRC government exerts more oversight and control over offerings conducted overseas or foreign investment in Hong Kong-based issuers, any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of our securities to significantly decline or become worthless. In addition, the Holding Foreign Companies Accountable Act and related PCAOB rules may, under certain circumstances, result in trading prohibitions or delisting of our securities on Nasdaq. For a detailed description of the risks the Company faces associated with our operations in Hong Kong, please refer to “*Risk Factors — Risks Related to Doing Business in Hong Kong.*”

Transfers of Cash to and from our Subsidiaries

We currently conduct our operations through our wholly owned subsidiaries, including FiEE (HK) in Hong Kong and HGK in Japan. We may rely on dividends or other transfers of cash from our subsidiaries to fund our cash and financing requirements, including the funds necessary to service any debt we may incur and to pay our operating expenses. To date, our subsidiaries have not made any transfers, dividends, or distributions of cash or other assets to us, and we have not made any transfers, dividends, or distributions to our subsidiaries other than in connection with funding our operations.

We are permitted under Delaware law to provide funding to and receive funding from our subsidiaries through loans or capital contributions without restrictions on the amount of the funds, subject to applicable government registration, approval, and filing requirements. FiEE (HK) is also permitted under the laws of Hong Kong to provide and receive funding to and from us through dividend distributions without restrictions on the amount of the funds. Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us. However, there is a possibility that the PRC could prevent our cash maintained in Hong Kong from leaving, or could restrict the deployment of such cash into our business or for the payment of dividends, which could materially adversely affect our ability to finance our cash requirements or make distributions to our shareholders. We currently intend to retain all available funds and future earnings for the operation and expansion of our business and do not anticipate declaring or paying any dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of the Board after considering our financial condition, results of operations, capital requirements, contractual requirements, business prospects, and other factors the Board deems relevant. For further detail, please refer to “*Risk Factors — Risks Related to Doing Business in Hong Kong.*”

Services Overview

Our services primarily consist of three core areas: (1) digital content and MCN services, (2) software development services, and (3) digital authentication services.

1. Digital Content Services

We provide digital content management solutions and brand growth strategies primarily through three service verticals: (1) digital account management, (2) content operations and growth analytics, and (3) community engagement and creator partnerships. Since March 2025, we have delivered full-cycle services to brand clients, offering full-service account management, content production, and targeted promotion to grow followers across key platforms. These services are structured to support clients at varying stages of digital development, from initial account setup to multi-platform brand promotion.

Digital Account Management

We offer a tiered set of service plans that support clients in establishing and maintaining digital accounts on international platforms. Services range from basic setup and content scheduling to advanced account search engine optimization (“SEO”), visual branding, and content performance analysis. Our service plans include:

- **Global Premium Plan:** Includes setup and management of up to three accounts, advanced account SEO strategies, brand visual design, production of over 120 posts and 24 short videos annually, monthly performance reporting, influencer or content creators marketing coordination, and unlimited strategic consultations.
- **Overseas Basic Plan:** Includes setup of one account, quarterly SEO updates, production of 48 posts and 12 short videos annually, and competitor analysis twice a year.
- **Starter Plan:** Includes basic account setup, fundamental SEO support, 24 posts per quarter, and access to simplified performance analytics.

Content Operations and Analytics

We support content creation through customized graphic, text, and video production tailored to the client's brand objectives. We also provide strategic guidance on traffic growth, including trend-based optimization and third-party influencer or content creators engagement. Monthly reporting includes performance metrics, competitor benchmarking, and actionable recommendations for content refinement.

Community Engagement

We offer daily interaction support for managed accounts, including fan engagement, comment moderation, and community management. Crisis response strategies and tailored growth support are available based on client needs.

MCN Partnerships

We operate under a centralized content ownership and monetization model in its partnerships with influencers or content creators. Under its standard agreement:

- We retain full operational control over content, monetization, and analytics.
- Influencers or creators are provided with content review windows via a proprietary software platform.
- All commercial revenue, including advertising, livestream sales, and brand collaborations, is retained by us, unless otherwise contractually negotiated.
- Intellectual property rights to produced content are held by us, with attribution to influencers or creators.
- Termination prior to the end of a contract term may require compensation related to audience development and data transfer.

2. Software Development Services

We provide customized software development services, offering clients end-to-end software solutions from system design and development to deployment and post-launch maintenance. Our software development services cover the following scope:

- ***Requirements Analysis and System Design:*** Collaborating closely with clients to understand their business needs and design corresponding software architecture.
- ***Customized Coding and Development:*** Performing software coding according to design specifications to ensure functionality meets client expectations.
- ***System Integration and Deployment:*** Integrating newly developed software with clients' existing systems and completing deployment.
- ***Testing and Quality Assurance:*** Conducting comprehensive functional testing, performance testing, and security testing.
- ***Post-Launch Maintenance and Support:*** Providing ongoing software maintenance, updates, and technical support.

3. Digital Authentication Services

We provide digital authentication services leveraging AI and blockchain technology for artworks. Our service offerings include:

- **Micro Identification:** Providing unique microscopic feature identification and tracking for artworks.
- **AI Image Recognition Authentication:** Utilizing AI algorithms to authenticate artworks.
- **Blockchain Certification:** Recording authentication results on blockchain to provide tamper-proof certification.
- **Digital Passport Generation:** Creating unique digital identity passports for artworks, recording their provenance, authentication history, and ownership information.

Intellectual Property

Our success and ability to compete depend in part on our ability to protect our proprietary technology and intellectual property. We rely on a combination of patent, copyright, trademark, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights. As of December 31, 2025, through our acquisitions of HGK and certain assets of Suzhou Yixuntong Network Technology Co., Ltd. (“Yixuntong”), we have expanded our portfolio to include eight domain names, three patents, and 23 software copyrights, primarily focused on blockchain, content identification, and enterprise management technologies. In addition, we have four patent applications under temporary protection in Hong Kong, primarily focused on edge computing, ERP systems, and AI content tracing.

Competition

The markets in which we operate are highly competitive and rapidly evolving. Our digital content and MCN services compete with global digital marketing agencies, social media management platforms, influencer or content creators marketing networks, and in-house marketing teams. Our software development services compete with multinational consulting firms, regional development agencies, and offshore engineering providers. Our digital authentication services compete with traditional art authentication firms, emerging blockchain-based certification providers, and technology-enabled provenance tracking platforms. Competition is based on factors, including technological innovation, service quality, pricing, brand recognition, platform relationships, scalability, data analytics capabilities, and the ability to deliver measurable results. Many of our competitors have significantly greater financial, technical, and marketing resources than we do.

Customers and Geographic Information

Our customers include those individuals or entities seeking to grow their online presence as influencers or content creators, software development services, or digital authentication services. For the fiscal year ended December 31, 2025, substantially all of our revenue was generated from customers located outside the U.S.

During the year ended December 31, 2025, the Company had one customer with an outstanding accounts receivable balance that accounted for approximately 75% of the Company’s total accounts receivable. Most of this accounts receivable was acquired through the Company’s acquisition of its Japanese subsidiary, HGK, on November 30, 2025, and accounted for approximately 1% of the Company’s revenue for the year ended December 31, 2025. Other than this customer, the Company did not have sales or outstanding accounts receivable balances that accounted for 10% or greater individually of the Company’s total revenues and accounts receivable, respectively.

Government Regulation

Our business is subject to evolving laws and regulations in the U.S., Japan, and Hong Kong. These include data privacy laws (such as Section 5 of the Federal Trade Commission Act, which prohibits unfair or deceptive acts or practices, Japan’s Act on the Protection of Personal Information (APPI), and Hong Kong’s Personal Data (Privacy) Ordinance), as well as emerging legal frameworks governing artificial intelligence and blockchain-based authentication services. Additionally, our MCN services are subject to the private rules and terms of service of third-party platforms. Changes in these laws or platform policies could significantly impact our operations.

Strategy

We position ourselves at the intersection of technology and creative production, offering infrastructure and strategic support to clients seeking to expand their visibility in digital markets. We leverage emerging technologies such as AI, blockchain, and predictive analytics to enhance content workflows and improve reach and engagement outcomes for our clients. By building long-term, meaningful relationships, we aim to help customers leverage our services to establish stronger connections in the global marketplace, driving revenue growth as our customers expand their usage and upgrade their service plans.

Our growth strategy is built upon the transition to a high-margin digital service model. While our digital content services require ongoing investment, they yield higher gross margins; meanwhile, our digital authentication services, leveraging AI and blockchain, present significant potential for high-margin scalability. As part of these strategic initiatives, we have successfully integrated blockchain technology into our digital authentication services, providing clients with tamper-proof certification and digital passport services. This advancement is aimed at enhancing the security, transparency, and efficiency of our global systems. Through the acquisition of HGK, we have introduced AI image recognition technology to our service portfolio, applying it to the digital authentication field to provide high-precision authenticity identification for artworks.

Looking forward, we will continue to pursue strategic acquisition opportunities in key sectors such as AI, hardware, and the Internet of Things (“IoT”), and gradually establish a global community of Key Opinion Leaders throughout the digital content lifecycle through the integration of our authentication technology.

Nasdaq Trading Status

Throughout 2024 and early 2025, we faced several Nasdaq compliance listing challenges regarding stockholders’ equity and corporate governance. Following an appeal of a delisting determination and a stay granted by the SEC in February 2025, the Nasdaq Hearings Panel (the “Panel”) reviewed our compliance.

On May 29, 2025, the Panel determined we had regained compliance with the Nasdaq Listing Rules, including the minimum stockholders’ equity requirement. Trading of our common stock, par value \$0.01 per share (“Common Stock”), resumed on Nasdaq on June 2, 2025, under the symbol “FIEE.”

We are currently subject to a Nasdaq “Panel Monitor” until May 2026. Additionally, we received a public reprimand regarding a “Change of Control” violation related to transactions in February 2025, which the Panel determined was inadvertent and not materially adverse to our stockholders.

Material Contracts

Securities Purchase Agreement

On February 18, 2025, we entered into a Securities Purchase Agreement (the “February 18, 2025 SPA”) with David Lazar (“Lazar”), Cao Yu, Hu Bin, and Youxin Consulting Limited (together with Cao Yu and Hu Bin, the “Purchasers”), which was subsequently amended on May 9, 2025. Pursuant to the February 18, 2025 SPA and its amendment, Lazar, a former director and officer of the Company, sold to the Purchasers (i) 2,219,447 shares of Series A Preferred Stock, \$0.001 par value per share (“Series A Preferred Stock”), (ii) a warrant to purchase up to 2,800,000 shares of Common Stock at an exercise price of \$1.00 per share, subject to adjustment (the “Warrant”), and (iii) certain receivables owed by the Company to Lazar associated with the transaction (the “Lazar Receivables”). On April 10, 2025, Lazar transferred an additional 31,258 shares of Series A Preferred Stock to the Purchasers (together with the previously transferred shares and the Warrant, the “Securities”). The aggregate purchase price for the Securities and the Lazar Receivables was \$500,000, of which \$300,000 was directed by Lazar to be paid to the Company in exchange for a convertible note. The Purchasers also paid a \$3.4 million earn-out payment to Lazar for his efforts related to the Company’s successful relisting on Nasdaq. The Lazar Receivables were forgiven for the benefit of the Company, and the Warrant was amended and restated to eliminate the beneficial ownership limitations previously contained therein.

May 2025 Private Placement

On May 9, 2025, we entered into, and simultaneously closed the transactions under, Securities Purchase Agreements with Cao Yu and Hu Bin, pursuant to which we sold an aggregate of 2,439,025 shares of Common Stock—1,585,366 shares to Cao Yu for a purchase price of \$2,600,000 and 853,659 shares to Hu Bin for a purchase price of \$1,400,000.

Helena Purchase Agreement

On May 9, 2025, we entered into a Purchase Agreement with Helena Global Investment Opportunities I Ltd. (“Helena”). The Company has the right to sell to Helena up to \$15,000,000 of Common Stock over a 36-month period ending in May 2028. The purchase price is based on 95% of the lowest volume-weighted average price (“VWAP”) during the three (3) trading days following Helena’s receipt of the Common Stock shares. As consideration, we issued as a commitment fee, shares of Common Stock to Helena valued at \$150,000, consisting of 71,572 Common Stock shares on May 14, 2025, and 71,572 Common Stock shares on August 11, 2025.

Lazar Warrant

On July 2, 2025, we issued a warrant to purchase 404,002 shares of Common Stock with an exercise price of \$0.01 per share, subject to stockholder approval (the “July 2025 Warrant”), to Lazar. This warrant was issued as compensation for services provided by Lazar. The July 2025 Warrant was exercised on a cashless basis for 402,347 shares of Common Stock on November 12, 2025.

Lazar Convertible Note

We entered into an unsecured promissory note (the “Convertible Note”) effective February 18, 2025, with Lazar, a stockholder holding more than 10% of the Company’s outstanding shares and a former officer and director. Under the terms of the Convertible Note, the Company agreed to pay Mr. Lazar a principal amount of \$300,000, bearing interest at an annual rate of approximately 4.34%, with the full principal and interest balance due on or before December 31, 2025. Upon stockholders’ approval, the Convertible Note will automatically convert into shares of Common Stock at a conversion price of \$0.25 per share. On October 27, 2025, following approval of the Company’s stockholders, the Convertible Note automatically converted into 1,235,814 shares of Common Stock pursuant to its terms.

Suzhou Yixuntong Network Technology Co., Ltd. Acquisition

Following a non-binding letter of intent signed on March 25, 2025, the Company's subsidiary, FiEE (HK), entered into an Asset Purchase Agreement on June 30, 2025, with Hongyan Sun, Lin Lin, and Yixuntong. The Company acquired fixed assets and intellectual property, including patents and copyrights, for a total purchase price of \$1.4 million.

Houren-Geiju Kabushikaisha Acquisition

On November 27, 2025, the Company entered into a Share Purchase Agreement to acquire 100% of the equity of HGK for \$500,000 and a concurrent Technology Transfer Agreement to acquire its software copyrights and patents for \$3 million. The aggregate purchase price was \$3.5 million and the acquisition closed on November 30, 2025.

January 2026 Private Placement

On January 30, 2026, the Company entered into a Securities Purchase Agreement with certain investors to issue an aggregate of 394,476 shares of Common Stock at \$5.07 per share for gross proceeds of approximately \$2 million. The transaction closed on March 31, 2026.

Human Capital

As of December 31, 2025, we had three full-time employees, engaged five independent contractors and consultants to support our functions such as investment research, technology architecture design, financial analysis, and compliance, and employed 33 dispatched workers, focusing on key functional areas, including technology, business operations, and content creation.

Our human capital management objectives are focused on attracting, developing, and retaining talent capable of driving innovation and sustaining long-term growth. We plan to utilize a comprehensive compensation approach that includes cash compensation and equity incentives to align employee interests with the long-term objectives of the Company and its stockholders. We believe our competitiveness depends significantly on our ability to successfully identify, cultivate, and manage a team with deep expertise at the intersection of technology and creative media.

Our people are our most important asset. Accordingly, we are committed to fostering an inclusive, safe, and healthy work environment with clear career development pathways. Our total compensation package is designed to remain market-competitive and includes competitive base salaries, performance-based bonuses, comprehensive health and welfare benefits, retirement plans, and paid time off. We maintain a regular performance review process that is directly linked to compensation adjustments and career advancement opportunities.

Public Information

Our corporate website is www.fiee.com. We make available free of charge, through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act and proxy statements for our annual meeting of stockholders, as soon as reasonably practicable after each such material is electronically filed with or furnished to the SEC. We also routinely post these reports, recent news and announcements, financial results and other important information about our business on our website at www.fiee.com. Information contained on our website does not constitute part of, and is not incorporated by reference into, this Amendment.

Persons interested in obtaining information on the Company may read and copy any materials that we file with the SEC. The SEC maintains an Internet website at www.sec.gov that contains our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act and proxy statements for our annual meeting of stockholders, and other information regarding issuers that file electronically with the SEC.

Also available on the Company's website, www.fiee.com, are its Ethics Code of Conduct, Corporate Governance Guidelines, the charter of each active committee of the Board of Directors of the Company (the "Board"), and other materials outlining the Company's corporate governance practices. If we amend or grant a waiver of one or more of the provisions of our Ethics Code of Conduct, we intend to satisfy the requirements under Item 5.05 of Form 8-K regarding the disclosure of amendments to or waivers from provisions of our Ethics Code of Conduct that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting the required information on our corporate website at www.fiee.com.

ITEM 1A RISK FACTORS

Risks Related to Our Company

Since completing our business transformation in 2025, our new business has generated revenue and achieved profitability, but still faces risks of sustained growth and market competition.

Prior to the cessation of our legacy business, our principal assets, product offerings and business primarily consisted of providing consumer networking and intelligent software services. After the closing of the transactions under the February 18, 2025 SPA, we transitioned to becoming a digital service provider, and our current business operations focus on integrating AI and data analytics into content creation and brand management. In 2025, we completed our strategic transformation from a legacy networking hardware business to a digital service provider. As of the end of 2025, we completely ceased our legacy operations, with our current business focused on three core areas: digital content services, software development services, and digital authentication services. In 2025, we successfully launched our new business, generating service fees of \$6.2 million, and achieving profitability. However, our new business is still in the early stages of development and faces risks such as intensified market competition, rising customer acquisition costs, and accelerated technological iteration. There can be no assurance that we will be able to maintain our current growth rate and profitability or that our current business model will prove to be sustainable over the long term.

Our limited operating history in our new lines of business makes it difficult to evaluate our prospects and increases the risk of investment.

We have a limited operating history in our current digital services business. Although we generated revenue and achieved profitability in 2025, our historical results in our legacy business are not indicative of our future performance. Investors should consider our prospects in light of the risks and uncertainties frequently encountered by companies in new and rapidly evolving markets, including risks related to customer adoption, pricing models, technological change, and competitive dynamics. If our assumptions regarding market demand or our growth strategy prove incorrect, our business, financial condition and results of operations could be materially adversely affected.

We may fail to execute our business plan successfully.

Our stockholders may lose their investment if we fail to execute our business plan successfully. Our prospects must be considered in light of certain risks and uncertainties, including but not limited to, competition, changes in client preferences, cybersecurity risks, our ability to attract and retain qualified personnel, and general economic conditions. We cannot guarantee that we will be successful in executing our business plan. If we fail to execute our business plan successfully, our stockholders may lose their entire investment.

The Company may suffer from a lack of availability of additional funds.

We expect to have ongoing needs for working capital in order to fund operations and to continue to expand our operations. To that end, we may be required to raise additional funds through equity or debt financing. However, there can be no assurance that we will be successful in securing additional capital on favorable terms, if at all. If we are successful, whether the terms are favorable or unfavorable, there is a potential that we will fail to comply with the terms of such financing, which could result in severe liability for our Company. If we are unsuccessful, we may need to (a) initiate cost reductions; (b) forego business development opportunities; (c) seek extensions of time to fund liabilities; or (d) seek protection from creditors. In addition, any future sale of our equity securities would dilute our existing stockholders and could be at prices substantially below prices at which our shares currently trade. Our inability to raise capital could require us to significantly curtail or terminate our operations altogether. We may seek to increase our cash reserves through the sale of additional equity or debt securities. The sale of convertible debt securities or additional equity securities could result in additional and potentially substantial dilution to our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations and liquidity. In addition, our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties.

In addition, if we are unable to generate adequate cash from operations, and if we are unable to find sources of funding, it may be necessary for us to sell all or a portion of our assets, enter into a business combination, or reduce or eliminate operations. These possibilities, to the extent available, may be on terms that result in significant dilution to our stockholders or that result in our stockholders losing all of their investment in us.

Our acquisition strategy creates risks for our business.

We expect that we will pursue acquisitions of other businesses, assets or technologies to grow our business. We may fail to identify attractive acquisition candidates or we may be unable to reach acceptable terms for future acquisitions. We might not be able to raise enough cash to compete for attractive acquisition targets. If we are unable to complete acquisitions in the future, our ability to grow our business will be impaired.

We may pay for acquisitions by issuing additional shares of our Common Stock, which would dilute our stockholders, or by issuing debt, which could include terms that restrict our ability to operate our business or pursue other opportunities and subject us to meaningful debt service obligations. We may also use significant amounts of cash to complete acquisitions. To the extent that we complete acquisitions in the future, we likely will incur future depreciation and amortization expenses associated with the acquired assets. We may also record significant amounts of intangible assets, including goodwill, which could become impaired in the future. Acquisitions involve numerous other risks, including:

- difficulties integrating the operations, technologies, services and personnel of the acquired companies;
- challenges maintaining our internal standards, controls, procedures and policies;
- diversion of management's attention from other business concerns;
- over-valuation of acquired companies or assets;
- litigation resulting from activities of the acquired company, including claims from terminated employees, customers, former stockholders and other third parties;
- insufficient revenues to offset increased expenses associated with the acquisitions and unanticipated liabilities of the acquired companies;
- insufficient indemnification or security from the selling parties for legal liabilities that we may assume in connection with our acquisitions;
- entering markets in which we have no prior experience and may not succeed;
- risks associated with foreign acquisitions, such as communication and integration problems resulting from geographic dispersion and language and cultural differences, compliance with foreign laws and regulations and general economic or political conditions in other countries or regions;
- potential loss of key employees of the acquired companies; and
- impairment of relationships with clients and employees of the acquired companies or our clients and employees as a result of the integration of acquired operations and new management personnel.

Our reliance on AI and data analytics exposes us to unique operational and ethical risks.

Our current business model focuses on integrating AI into content creation and brand management. AI technologies are complex and rapidly evolving. We may face risks related to biased algorithms, "hallucinations" in AI-generated content, or the inadvertent use of intellectual property in our training models. If our AI solutions produce inaccurate, offensive, or infringing content, our reputation could be severely damaged, and we could be subject to legal liability. Furthermore, as AI regulations emerge globally, we may incur significant costs to ensure compliance with new laws governing AI transparency and accountability.

Cybersecurity incidents or data breaches could disrupt our operations and harm our reputation.

Our business involves the collection, processing, storage, and transmission of proprietary and potentially sensitive data. We rely on internal systems and third-party service providers, including cloud-based infrastructure, to support our operations. Cybersecurity incidents, including hacking, phishing, ransomware attacks, or insider misconduct, could result in unauthorized access to, disclosure of, or loss of data. Any such incident could result in regulatory investigations, litigation, indemnity obligations, reputational damage, and significant remediation costs. In addition, increased regulatory scrutiny regarding data privacy and cybersecurity may result in additional compliance costs. A significant cybersecurity breach could materially adversely affect our business, financial condition, and results of operations.

We may be unable to scale our operations successfully.

Our growth strategy will place significant demands on our management and financial, administrative and other resources. Operating results will depend substantially on the ability of our officers and key employees to manage changing business conditions and to implement and improve our financial, administrative and other resources. If we are unable to respond to and manage changing business conditions, or the scale of our operations, then the quality of our services, our ability to retain key personnel, and our business could be harmed.

Our success depends on the continued efforts of our senior management and key technical personnel.

Our success depends on the continued service of our senior management, as well as the continued contributions of key technical personnel supporting our MCN operations, AI-driven content creation, and blockchain-based digital authentication. As we operate at the forefront of next-generation digital services, the demand for qualified professionals with specialized skills in these emerging fields is exceptionally high, and competition for such talent is intense. We invest significant resources in recruiting and training our employees, and the loss of one or more of our executive officers or key technical personnel could delay the development of new offerings, impair our ability to respond to technological advancements, and materially and adversely affect our business, financial condition, and results of operations.

We are subject to stringent and evolving laws and regulations regarding data privacy and cybersecurity.

As a digital service provider focusing on data analytics and digital authentication, we collect, process, and store significant amounts of sensitive data. We are subject to various federal, state, and international laws, such as the GDPR and CCPA, regarding data privacy. Any failure, or perceived failure, by us to comply with these laws, or any security breach resulting in the unauthorized release of data, could result in significant fines, litigation, and a loss of customer trust, which would materially and adversely affect our business.

We may suffer from a lack of liquidity.

By incurring indebtedness, we subject ourselves to increased debt service obligations which could result in operating and financing covenants that would restrict our operations and liquidity. This would impair our ability to hire the necessary senior and support personnel required for our business, as well as carry out our acquisition strategy and other business objectives.

The requirements of remaining a public company may strain our resources and distract our management, which could make it difficult to manage our business.

We are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory requirements is time-consuming and expensive and could have a negative effect on our business, results of operations and financial condition.

We are required to comply with certain provisions of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the “Sarbanes-Oxley Act”) and if we fail to continue to comply, our business could be harmed, and the price of our securities could decline.

Rules adopted by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act require an annual assessment of internal control over financial reporting, and for certain issuers an attestation of this assessment by the issuer’s independent registered public accounting firm. The standards that must be met for management to assess the internal control over financial reporting as effective are evolving and complex, and require significant documentation, testing, and possible remediation to meet the detailed standards. We expect to incur significant expenses and to devote resources to compliance regarding Section 404 of the Sarbanes-Oxley Act on an ongoing basis. It is difficult for us to predict how long it will take or how costly it will be to complete the assessment of the effectiveness of our internal control over financial reporting for each year and to remediate any deficiencies in our internal control over financial reporting. As a result, we may not be able to complete the assessment and remediation process on a timely basis. We have identified a material weakness in our internal control over financial reporting, as described elsewhere in the Original Form 10-K. Although we are implementing a remediation plan, there can be no assurance that our remediation efforts will be successful. If we are unable to maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, which could materially adversely affect the market price of our Common Stock.

We have identified a material weakness in our internal control over financial reporting, which resulted in our disclosure controls and procedures being ineffective as of December 31, 2025. If we fail to fully remediate this material weakness, our financial reporting could be adversely affected and investor confidence could decline.

In the course of preparing our financial statements for the quarter ended June 30, 2025, management identified a material weakness in our internal control over financial reporting due to insufficient accounting staffing during the Company’s restructuring and new business launch. During the first half of 2025, we did not maintain a sufficient complement of personnel with an appropriate degree of knowledge and experience to fulfill internal control and financial reporting responsibilities. This resulted in reduced review capabilities and prior-period errors, which have since been corrected.

As a result of this material weakness, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2025. Although we have taken steps to remediate the material weakness, including hiring additional qualified accounting personnel with SEC expertise, enhancing review and approval procedures, providing additional training, and implementing ongoing monitoring processes, the material weakness will not be considered remediated until the enhanced controls operate for a sufficient period of time and management has concluded, through testing, that the controls are effective.

If our remediation efforts are not successful, or if additional material weaknesses are identified in the future, we may be unable to conclude that our internal control over financial reporting is effective. This could result in additional errors in our financial statements, future restatements, delays in required filings, regulatory scrutiny, loss of investor confidence, and a decline in the market price of our Common Stock.

Our disclosure controls and procedures were not effective as of December 31, 2025, and if we are unable to maintain effective disclosure controls and procedures in the future, investors may lose confidence in our reported financial information.

As disclosed in the Original Form 10-K, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2025 due to the material weakness in internal control over financial reporting described above. Although we are actively implementing remediation measures, there can be no assurance that these efforts will be successful or that additional deficiencies will not be identified.

Effective disclosure controls and procedures are necessary to ensure that information required to be disclosed in our SEC reports is recorded, processed, summarized, and reported within required time periods. Any failure to maintain effective disclosure controls could result in late filings, inaccurate reporting, regulatory action, or harm to our reputation, which could materially adversely affect our business and the market price of our Common Stock.

Changes in U.S. laws and regulations related to companies with connections to Hong Kong or the PRC could limit our ability to maintain our Nasdaq listing or access U.S. capital markets.

U.S. regulatory authorities, including the SEC and the Public Company Accounting Oversight Board (“PCAOB”), have adopted rules that increase disclosure requirements and regulatory scrutiny of U.S.-listed companies with operations or affiliations in Hong Kong or the PRC. Although we are currently compliant with applicable Nasdaq listing requirements and U.S. securities laws, future legislative or regulatory actions—such as expanded audit inspection requirements, data security reviews, or restrictions under the Holding Foreign Companies Accountable Act—could impose additional compliance burdens or create uncertainty regarding our continued eligibility to list our securities on a U.S. exchange.

If U.S. regulators are unable to inspect or investigate our auditors or operations to their satisfaction, or if future rules impose additional restrictions on companies with international ties, our Common Stock could be subject to trading prohibitions or delisting, which would materially and adversely affect investors.

Economic instability, inflation, global conflicts, or public health crises could adversely affect our business.

Global economic uncertainty, inflationary pressures, rising interest rates, armed conflicts, trade disputes, and public health emergencies could negatively impact customer spending, capital markets activity, and overall business confidence. These macroeconomic and geopolitical conditions may reduce demand for our services, increase our operating costs, disrupt supply chains or third-party service providers, and limit our access to financing. Any prolonged downturn in global or regional economic conditions could materially adversely affect our business, financial condition, and results of operations.

Our financial condition, results of operations and cash flow may be adversely affected by changing economic conditions, including interest rates and inflation, and other factors beyond our control.

In recent years, the global economic market has experienced cyclical or episodic downturns, and worldwide economic conditions remain uncertain and volatile, as a result of current geopolitical conditions including conflicts in the Middle East, the ongoing Russia-Ukraine War and geopolitical tensions between China and Taiwan, instability in the U.S. and global banking systems, a high inflation environment, the imposition of tariffs or other trade barriers and the risk of retaliatory actions or prolonged trade conflict, the downgrading of the U.S.’s credit rating and the possibility of an economic slowdown. A decline in economic conditions, such as a recession, an economic downturn, and/or inflationary conditions in our markets, can adversely and negatively impact our customers and potential customers in a manner that could adversely affect our financial condition, results of operations and cash flow.

Our operations could be adversely impacted by civil unrest, acts of war or terrorism, other criminal activities, infectious disease outbreaks or other unexpected events, including natural disasters, outside our control.

Our operations are always subject to adverse impacts resulting from civil unrest, acts of war, hostilities or acts of terrorism or other criminal activities. Such events may result in a temporary decline in the number of customers who seek our services or in our employees’ ability to perform their job duties. In addition, such events may temporarily interrupt our ability to provide our services. The occurrence of any such event and/or a disruption of our operations as a result may adversely affect our financial condition, results of operations and cash flow.

Risks Related to Doing Business in Hong Kong

Political risks associated with conducting business in Hong Kong and economic instability in Hong Kong may adversely impact our results of operations. Changes in the policies of the PRC government could have a significant impact on the business we conduct in Hong Kong and the profitability of that business.

Our revenue generating operational activities are primarily conducted in Hong Kong. Accordingly, political and economic conditions in Hong Kong and the surrounding region may directly affect our business. Hong Kong is a Special Administrative Region of the PRC, and the basic policies of the PRC regarding Hong Kong are reflected in the Basic Law — the constitutional document for Hong Kong — which provides Hong Kong with a high degree of autonomy and executive, legislative, and independent judicial powers, including that of final adjudication, under the principle of “one country, two systems.” However, there is no assurance that the economic, political, and legal environment in Hong Kong will not change in the future. Because all of our revenue generating operations are primarily based in Hong Kong, any change in such political arrangements may pose an immediate threat to the stability of Hong Kong’s economy, thereby directly and adversely affecting our results of operations and financial position.

Our revenue is susceptible to ongoing incidents or factors that affect the stability of social, economic, and political conditions in Hong Kong. Any severe adverse events may adversely affect the business operations of our Hong Kong operating subsidiary. Such adverse events may include changes in economic conditions and the regulatory environment, social and/or political conditions, civil disturbance or disobedience, and significant natural disasters. Given the relatively small geographic size of Hong Kong, any such incidents may have a widespread effect on the operations of our Hong Kong operating subsidiary, which could in turn materially and adversely affect our business, results of operations, and financial condition. Furthermore, legislative or administrative actions with respect to China-U.S. relations could cause investor uncertainty for affected issuers, including us, and the market price of our Common Stock could be adversely affected.

In addition, economic, political, and legal developments and social conditions in the PRC may significantly affect our business, financial condition, results of operations, and prospects. Policies of the PRC government can have significant effects on economic conditions in mainland China and Hong Kong. While we believe that the PRC will continue to strengthen its economic and trading relationships with foreign countries and that business development in the PRC will continue to follow market forces, we cannot assure you that this will be the case. Our business operations and prospects, financial condition, and results of operations may be adversely affected by changes in PRC government policy, including:

- changes in laws, regulations, or their interpretation;
- confiscatory taxation;
- restrictions on currency conversion, imports, or sources of supply, or on our ability to continue as a for-profit enterprise;
- expropriation or nationalization of private enterprises; and
- the allocation of resources.

The enactment of the Law of the PRC on Safeguarding National Security in the Hong Kong Special Administrative Region (the “Hong Kong National Security Law”) could adversely impact our Hong Kong operating subsidiary.

On June 30, 2020, the Standing Committee of the PRC National People’s Congress passed the Hong Kong National Security Law. Hong Kong’s Chief Executive promulgated it locally on the same day. The Hong Kong National Security Law defines the duties and government bodies of Hong Kong for safeguarding national security and establishes four categories of offenses — secession, subversion, terrorist activities, and collusion with a foreign country or external elements to endanger national security — along with their corresponding penalties. On July 14, 2020, former U.S. President Donald Trump signed the Hong Kong Autonomy Act (the “HKAA”) into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities determined to have materially contributed to the erosion of Hong Kong’s autonomy. The HKAA further authorizes secondary sanctions, including blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under its authority. The imposition of sanctions may directly affect such foreign financial institutions, as well as any third parties or customers dealing with a targeted institution. It is difficult to predict the full impact of the Hong Kong National Security Law and the HKAA on Hong Kong and on companies located in Hong Kong. If our Hong Kong operating subsidiary is determined by competent authorities to be in violation of the Hong Kong National Security Law or the HKAA, our business operations, financial position, and results of operations could be materially and adversely affected.

The enactment of the Safeguarding National Security Ordinance in Hong Kong could further impact our Hong Kong operating subsidiary.

On March 23, 2024, the Legislative Council of Hong Kong passed the Safeguarding National Security Ordinance (the “Article 23 Ordinance”), which came into force on March 23, 2024. The Article 23 Ordinance was enacted pursuant to Article 23 of the Basic Law, which obligated Hong Kong to enact legislation on its own to prohibit acts of treason, secession, sedition, subversion, and theft of state secrets. The Article 23 Ordinance significantly expands the scope of national security-related offenses in Hong Kong beyond those established by the Hong Kong National Security Law of 2020. It creates a broad range of new offenses, including: (i) treason; (ii) insurrection; (iii) sabotage of public infrastructure; (iv) external interference in Hong Kong’s affairs; (v) theft, unlawful disclosure, or possession of state secrets; and (vi) espionage. The Article 23 Ordinance provides for substantial penalties, including imprisonment for up to life for certain offenses.

Certain provisions of the Article 23 Ordinance are drafted broadly and their scope of application in practice remains subject to uncertainty, as the courts of Hong Kong have not yet fully interpreted the new offenses. In particular, the provisions relating to “external interference” and “state secrets” may have broad application and could affect the manner in which our Hong Kong operating subsidiary engages with counterparties, regulators, or service providers outside of Hong Kong or mainland China.

Furthermore, the enactment of the Article 23 Ordinance has attracted international attention and concern, including from the governments of the United States, the United Kingdom, and the European Union. The international response to the Article 23 Ordinance could further affect the perception of Hong Kong as an international financial and business center and could contribute to additional U.S. or international regulatory actions targeting Hong Kong-based entities. If our Hong Kong operating subsidiary is determined to be in violation of the Article 23 Ordinance by competent authorities, or if future interpretations of the ordinance are applied broadly to our business activities, our business operations, financial position, and results of operations could be materially and adversely affected. We cannot predict with certainty how the Article 23 Ordinance will be interpreted and enforced over time, or whether its scope will be extended in ways that may affect our operations.

Our Hong Kong operating subsidiary may be subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy liquidity requirements, conduct business operations, and pay dividends to holders of our Common Stock. Dividends payable to our foreign investors and gains realized on the sale of shares of our Common Stock by our foreign investors may become subject to PRC taxation.

FiEE, Inc. is a Delaware corporation with its operating subsidiary located in Hong Kong. However, most of our cash is maintained in U.S. dollars. We conduct no other business and, as a result, depend entirely upon our Hong Kong operating subsidiary's earnings and cash flow. If we decide in the future to pay dividends, our ability, as a holding company, to pay dividends and meet other obligations depends upon the receipt of dividends or other payments from our Hong Kong operating subsidiary. There are currently no restrictions on the transfer of funds between FiEE, Inc. and our Hong Kong operating subsidiary, and no limitations on the ability of our Hong Kong operating subsidiary to issue dividends or other distributions to its overseas stockholders. However, we cannot assure you that PRC government oversight will not be extended to companies operating in Hong Kong, such as our Hong Kong operating subsidiary. There is a possibility that the PRC government could prevent our cash maintained in Hong Kong from leaving or restrict the deployment of such cash into our business or for the payment of dividends. Any such controls or restrictions may adversely affect our ability to finance our cash requirements, service debt, or make dividend or other distributions to our stockholders, and could result in a material adverse change to our business operations, prospects, financial condition, and results of operations, and could cause the value of our Common Stock to significantly decline or become worthless.

The market price of our securities could be adversely affected by heightened tensions between the United States and China.

U.S.-China relations have deteriorated significantly in recent years and continue to evolve rapidly, creating substantial uncertainty for companies with operations or connections to China and Hong Kong. Since 2020, the United States government has enacted a series of laws, executive orders, and regulations targeting Chinese entities and individuals. On June 30, 2020, the Standing Committee of the PRC National People's Congress issued the Hong Kong National Security Law, and on March 23, 2024, Hong Kong enacted the Safeguarding National Security Ordinance (the "Article 23 Ordinance"). The enactment of each of these laws has been met with significant concern by the U.S. government and has resulted in additional U.S. regulatory action directed at Hong Kong.

On July 14, 2020, former U.S. President Donald Trump signed the Hong Kong Autonomy Act (the "HKAA") into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. The U.S. government has exercised its HKAA authority on multiple occasions, sanctioning individuals associated with the Hong Kong government and legislature.

Beyond Hong Kong-specific legislation, U.S.-China relations have been further strained by a broad range of additional developments, including: (i) the expansion of the U.S. Entity List under the Export Administration Regulations (the "EAR") to include numerous Chinese companies and affiliates, restricting U.S. companies from exporting, re-exporting, or transferring certain items to listed entities; (ii) the enactment of the Uyghur Forced Labor Prevention Act; (iii) significant escalation of U.S. tariffs on Chinese imports, including tariff measures imposed or expanded in 2024 and 2025; (iv) U.S. restrictions on investment in certain Chinese technology sectors pursuant to executive orders issued under the International Emergency Economic Powers Act ("IEEPA"); and (v) ongoing Congressional and executive branch scrutiny of Chinese-linked entities operating in U.S. capital markets. The current U.S. administration has signaled a continued focus on restricting Chinese access to U.S. technology, capital markets, and financial infrastructure.

These measures have created increasing uncertainty for companies operating in or connected to Hong Kong and China, including issuers listed on U.S. stock exchanges. We cannot predict whether the U.S. government will take additional actions with respect to China or Hong Kong, or whether additional sanctions, export controls, tariff measures, or other restrictions will be imposed that directly or indirectly affect our Hong Kong operating subsidiary, our ability to access U.S. capital markets, or the trading price of our securities. Furthermore, legislative or administrative actions in respect of Sino-U.S. relations could cause investor uncertainty for affected issuers, including us, and the market price of our securities could be adversely affected.

Our business, financial condition, and results of operations, and/or the value of our Common Stock or our ability to offer or continue to offer securities to investors, may be materially and adversely affected to the extent the laws and regulations of mainland China become applicable to a company such as ours.

We currently have no subsidiaries or operations in mainland China. However, as we operate in Hong Kong, a Special Administrative Region of China, there is no guarantee that if certain existing or future laws of mainland China become applicable to a company such as ours, it will not have a material adverse impact on our business, financial condition, and results of operations and/or our ability to offer or continue to offer securities to investors, any of which may cause the value of such securities to significantly decline or become worthless.

Except for the Basic Law, national laws of the PRC do not apply in Hong Kong unless they are listed in Annex III of the Basic Law and applied locally by promulgation or local legislation. National laws that may be listed in Annex III are currently limited under the Basic Law to those falling within the scope of defense and foreign affairs, as well as other matters outside the limits of Hong Kong's autonomy. National laws and regulations relating to data protection, cybersecurity, and anti-monopoly matters have not been listed in Annex III and do not apply directly to Hong Kong.

The laws and regulations of the PRC are evolving, and their enactment, interpretation, and implementation involve significant uncertainties. To the extent any mainland China laws and regulations become applicable to us, we may be subject to the risks and uncertainties associated with the PRC legal system, including with respect to the enforcement of laws and the possibility of changes in rules and regulations with little or no advance notice.

We may also become subject to the laws and regulations of mainland China to the extent we commence business and customer-facing operations in mainland China as a result of any future acquisition, expansion, or organic growth.

The HFCA Act and related regulations continue to evolve. Further implementation of, interpretation of, or amendments to the HFCA Act or related regulations, or a PCAOB determination of insufficient access to inspect our auditor, could pose regulatory risks to us and impose restrictions on our operations.

On December 18, 2020, the Holding Foreign Companies Accountable Act (the "HFCA Act") was signed into law. The HFCA Act has since been subject to amendment by the U.S. Congress and to interpretations and rulemaking by the SEC. On June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act (the "AHFCAA"), which proposed to reduce the period of time for foreign companies to comply with PCAOB audit requirements from three to two consecutive years, thereby reducing the time before the securities of such foreign companies could be prohibited from trading or delisted.

Our auditor, UHY LLP, a U.S.-based independent registered public accounting firm that issues the audit report included elsewhere in the Original Form 10-K, is registered with the PCAOB and subject to regular PCAOB inspection to assess its compliance with applicable professional standards. Our auditor's most recent PCAOB inspection was conducted in 2025. As of the date of this registration statement, our auditor is not among the firms listed on the PCAOB Determination List issued in December 2021.

On August 26, 2022, the PCAOB announced and executed a Statement of Protocol (the "Protocol") with the CSRC and the Ministry of Finance of the People's Republic of China (together, the "PRC Authorities"). The Protocol provides the PCAOB with: (1) sole discretion to select the firms, audit engagements, and potential violations it inspects and investigates, without involvement of Chinese authorities; (2) procedures for PCAOB inspectors and investigators to review complete audit work papers with all information included, and for the PCAOB to retain information as needed; and (3) direct access to interview and take testimony from all personnel associated with the audits it inspects or investigates.

On December 15, 2022, the PCAOB announced its determination in the 2022 HFCA Act Determination Report (the “2022 Report”) that it had secured complete access to inspect and investigate audit firms headquartered in mainland China and Hong Kong during 2022, and the PCAOB Board voted to vacate its prior determinations to the contrary. According to the 2022 Report, this determination was reached after the PCAOB had thoroughly tested compliance with every aspect of the Protocol necessary to establish complete access, including through on-site inspections and investigations conducted in a manner fully consistent with the PCAOB’s methodology and approach in the United States and globally. The PRC Authorities fully assisted and cooperated with the PCAOB in carrying out the inspections and investigations pursuant to the Protocol, and have agreed to continue assisting the PCAOB’s investigations and inspections in the future. The PCAOB may reassess its determinations and issue new determinations consistent with the HFCA Act at any time.

On December 29, 2022, the Consolidated Appropriations Act, 2023 was signed into law, which, among other things, amended the HFCA Act to reduce the number of consecutive years an issuer may be identified as a Commission-Identified Issuer before the SEC must impose an initial trading prohibition on the issuer’s securities from three years to two.

Further developments related to the HFCA Act could create additional uncertainties for our offering. We cannot assure you what further actions the SEC, the PCAOB, or the stock exchanges will take to address these issues, or what impact such actions will have on companies with significant operations in the PRC that have securities listed on a U.S. stock exchange. Furthermore, any additional actions, proceedings, or new rules resulting from efforts to increase U.S. regulatory access to audit information could create uncertainty for investors, adversely affect the market price of our Common Stock, and result in the delisting of our securities if we and our auditor are unable to meet PCAOB inspection requirements. Such a delisting would substantially impair your ability to sell or purchase our Common Stock and would have a negative impact on the price of our Common Stock.

Our Hong Kong operating subsidiary is subject to Hong Kong’s data privacy laws, and any failure to comply with applicable requirements could adversely affect our business.

Our Hong Kong operating subsidiary is subject to the Personal Data (Privacy) Ordinance (Cap. 590) (the “PDPO”), which is administered by the Office of the Privacy Commissioner for Personal Data (the “PCPD”). The PDPO regulates the collection, holding, processing, and use of personal data in Hong Kong through six Data Protection Principles governing data purpose limitation, data accuracy, data retention, data security, openness, and individual access rights. The PDPO was amended in 2021 to introduce criminal liability for doxxing-related offenses, providing the PCPD with investigation and enforcement powers in relation to doxxing conduct, including powers of arrest and search.

In addition to the PDPO, our Hong Kong operating subsidiary must navigate the evolving interplay between Hong Kong’s data privacy regime and the PRC’s data protection and cybersecurity framework, including the PRC Personal Information Protection Law (“PIPL”) and the Cybersecurity Law, to the extent any personal data processed by our subsidiary may be subject to those regimes. While national PRC data laws do not directly apply in Hong Kong pursuant to the Basic Law, the PRC government has indicated an intent to extend data governance oversight, and there is ongoing uncertainty as to the extent to which PRC data regulations may affect Hong Kong-based operators.

Any failure by our Hong Kong operating subsidiary to comply with the PDPO, including any data breach, unauthorized disclosure of personal data, or failure to comply with a data access or correction request, could expose us to regulatory investigation, enforcement action by the PCPD, civil liability, and reputational harm. We cannot assure you that our current data protection practices are or will remain fully compliant with all applicable requirements under the PDPO or any future amendments thereto.

It may be difficult for stockholders to enforce any judgment obtained in the United States against us, which may limit the remedies otherwise available to our stockholders.

As of December 31, 2025, our assets were held across multiple entities: approximately 36% in our U.S. parent company, approximately 41% in our Hong Kong subsidiary, and approximately 23% in our Japan subsidiary. Moreover, some of our current directors and executive officers are Chinese nationals or domiciled in mainland China. All or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for our stockholders to effect service of process within the United States upon our subsidiaries or upon such individuals. In addition, there is uncertainty as to whether the courts of Hong Kong or mainland China would recognize or enforce judgments of U.S. courts obtained against us or our officers and/or directors predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. It is also unclear whether extradition treaties currently in effect between the United States and the PRC would permit effective enforcement of criminal penalties under U.S. federal securities laws against us or our officers and directors.

In addition, the recognition and enforcement of foreign judgments are governed under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law, based either on treaties between China and the country where the judgment was rendered or on principles of reciprocity between jurisdictions. China does not have any treaties or other written arrangements with the United States providing for the reciprocal recognition and enforcement of foreign judgments. Furthermore, pursuant to the PRC Civil Procedures Law, PRC courts will not enforce a foreign judgment against us or our directors and officers if they determine that the judgment violates the basic principles of PRC law or national sovereignty, security, or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States.

Risks Related to Our Common Stock

We have previously failed to comply with Nasdaq's continued listing requirements, and as a result, our Common Stock was suspended from trading on Nasdaq. Although we have resolved these issues and resumed trading, we may face delisting risks in the future, which has had and will continue to have a material effect on us and our stockholders.

We previously faced Nasdaq delisting risk but have resolved all deficiencies and resumed trading. From June 2024 to May 2025, we faced the risk of delisting from Nasdaq. In April 2025, we appointed independent directors and established board committees, resolving governance deficiencies. On May 29, 2025, the Panel determined that the Company is in compliance with listing rules, and our Common Stock resumed trading on Nasdaq on June 2, 2025, under the symbol "FIEE." As of December 31, 2025, we have satisfied all applicable Nasdaq continued listing requirements.

However, a Nasdaq "Panel Monitor" has been implemented under Nasdaq Listing Rule 5815(d)(4)(A) for a period of one year from May 29, 2025, which will expire on May 29, 2026. During this period, if the Company becomes deficient with respect to any Nasdaq continued listing requirement, it will not have the opportunity to submit a compliance plan and may face delisting proceedings. There can be no assurance that we will be able to continuously satisfy all Nasdaq listing requirements in the future. If our Common Stock were to be delisted, the liquidity and market price of our securities could be materially adversely affected, and investors may find it more difficult to buy or sell our Common Stock.

A large portion of our Common Stock is controlled by a small number of stockholders.

A large portion of our Common Stock is held by a small number of stockholders, including shares held by Youxin Consulting Limited, a Hong Kong company wholly controlled by our Chief Executive Officer, Li Wai Chung, and shares held by our Chief Financial Officer, Cao Yu, Hu Bin, one of the three purchasers under the Purchase Agreement, and Elements Corporate Services Limited. As a result, these stockholders are able to influence the outcome of stockholder votes on various matters, including the election of directors and extraordinary corporate transactions including business combinations.

Furthermore, any additional equity financing or purchases of additional shares of our Common Stock from these stockholders may further reduce the public float and liquidity of our Common Stock which can in turn affect the market price of our Common Stock.

The interests of our large stockholders may differ from or conflict with the interests of our other stockholders. In addition, our large stockholders are not subject to any contractual restrictions on their ability to acquire additional shares of our Common Stock. This concentration of stock ownership may adversely affect the trading price for our Common Stock to the extent that investors perceive disadvantages in significant ownership of or control over the affairs of the Company.

The sale of the additional shares of Common Stock could cause dilution as well as the value of our Common Stock to decline.

The sale of a substantial number of shares of our Common Stock, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish. Further, if we do sell or issue more Common Stock, any investors' investment in us will be diluted. Dilution is the difference between what you pay for your stock and the net tangible book value per share immediately after the additional shares are sold by us. If dilution occurs, any investment in our c Common Stock could seriously decline in value.

Our Common Stock price may decrease due to factors beyond our control.

The stock market from time to time has experienced extreme price and volume fluctuations, which have particularly affected the market prices for early-stage companies and which often have been unrelated to the operating performance of the companies. These broad market fluctuations may adversely affect the market price of our stock if a trading market for our stock ever develops. If our stockholders sell substantial amounts of their stock in the public market, the price of our stock could fall. These sales also might make it more difficult for us to sell equity, or equity-related securities, in the future at a price we deem appropriate.

The market price of our stock may also fluctuate significantly in response to, but not limited to, the following factors, most of which are beyond our control:

- variations in our quarterly operating results,
- changes in general economic conditions,
- changes in market valuations of similar companies,
- announcements by us or our competitors of significant acquisitions, strategic partnerships or joint ventures, or capital commitments; and
- poor reviews from equity research analysts.

Any such fluctuations may adversely affect the market price or value of our Common Stock, regardless of our actual operating performance. As a result, stockholders may be unable to sell their shares, or may be forced to sell them at a loss.

Our Common Stock is subject to the application of the “penny stock” rules which could adversely affect the market price of our Common Stock and increase transaction costs to sell those shares.

The SEC has adopted Rule 3a51-1 which establishes the definition of a “penny stock,” for the purposes relevant to us, as any equity security that has a market price of less than \$5.00 per share or with an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15c-9 requires:

- that a broker or dealer approve a person’s account for transactions in penny stocks, and
- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person’s account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person, and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and that the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination and
- states that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the “penny stock” rules. This may make it more difficult for investors to dispose of our Common Stock and cause a decline in the market value of our stock.

The market price for our Common Stock is particularly volatile which could lead to wide fluctuations in our share price. You may be unable to sell your Common Stock at or above your purchase price, or at all, which may result in substantial losses to you.

The market for our Common Stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than that of a seasoned issuer for the indefinite future. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer. Many of these factors are beyond our control and may decrease the market price of our Common Stock regardless of our operating performance. We cannot make any predictions or projections as to what the prevailing market price for our Common Stock will be at any time, or as to what effect the sale of shares or the availability of Common Stock for sale at any time will have on the prevailing market price.

Because we will likely issue additional shares of our Common Stock, investment in the Company could be subject to substantial dilution.

Investors’ interests in the Company will be diluted and investors may suffer dilution in their net book value per share when we issue additional shares. We are authorized to issue 60,000,000 shares of Common Stock. We anticipate that a substantial portion of our future funding, if any, will be in the form of equity financing from the sale of our Common Stock. If we sell or issue more Common Stock, any investors’ investment in the Company will be diluted. Dilution is the difference between what you pay for your stock and the net tangible book value per share immediately after the additional shares are sold by us. If dilution occurs, any investment in the Company’s Common Stock could seriously decline in value.

The Financial Industry Regulatory Authority (“FINRA”) sales practice requirements may also limit a stockholder’s ability to buy and sell our stock.

In addition to the “penny stock” rules described above, FINRA has adopted FINRA Rule 2111 that requires a broker-dealer to have reasonable grounds for believing that an investment is suitable for a customer before recommending the investment. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our Board.

If we are unable to comply with the financial reporting requirements mandated by the SEC's regulations, investors may lose confidence in our financial reporting and the price of our Common Stock, if a market ever does develop for it, could decline.

If we fail to maintain effective internal controls over financial reporting, our ability to produce timely, accurate and reliable periodic financial statements could be impaired. If we do not maintain adequate internal control over financial reporting, investors could lose confidence in the accuracy of our periodic reports filed under the Exchange Act. Additionally, our ability to obtain additional financing could be impaired and a lack of investor confidence in the reliability and accuracy of our public reporting could cause our stock price to decline.

We are a "smaller reporting company" and the reduced reporting requirements applicable to smaller reporting companies may make our Common Stock less attractive to investors.

We are a smaller reporting company as defined in the Exchange Act. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

We cannot predict whether investors will find our Common Stock less attractive because we may rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our stock price may be more volatile or decline.

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information regarding our executive officers and the members of our board of directors (the “Board”).

Name	Age	Position with the Company
Li Wai Chung	48	Chief Executive Officer and President
Cao Yu	35	Chief Financial Officer, Secretary, Treasurer and Director
Hongya Wen	49	Chairperson of the Board
Hu Bin	56	Director
David Natan	73	Director
Chan Oi Fat	47	Director

Directors are elected at each annual meeting of our stockholders and hold office until the next annual meeting of Company stockholders and thereafter until their successors are chosen and qualified. Officers are appointed by the Board and serve at the discretion of the Board. Vacancies on the Board by reason of death, resignation, disqualification or other cause, including a vacancy resulting from enlargement of the Board, the election of a director to fill such vacancy shall be by vote of a majority of the directors then in office, whether or not constituting a quorum.

Biographical Information

Li Wai Chung, age 48, has served as our Chief Executive Officer since February 2025 and President since March 2025. He is currently a director of Shenzhen Youxin Consulting Management Co., Ltd, an independent non-executive director of Fulu Holdings Limited, a company listed on the Hong Kong Stock Exchange (stock code: 2101) and an independent non-executive director of Taizhou Water Group Co., Ltd, a company listed on the Hong Kong Stock Exchange (stock code: 1542). Mr. Li previously served as the executive director and Chief Financial Officer of Tyfon Culture Holdings Limited from June 2020 to November 2024. Prior to that, Mr. Li served as a partner of Shanghai Yongxuan Venture Capital Management Co., Ltd from October 2017 to October 2018. From August 2016 to September 2017, he served as the general manager of the investment department of Lens Technology Co. Ltd, a company listed on the Shenzhen Stock Exchange (stock code: 300433). He started his career at Deloitte China where he served as an audit manager from October 2000 to April 2006. Mr. Li received a bachelor’s degree of business administration in accounting and finance from the University of Hong Kong in November 2000 and a master’s degree of business administration from the University of Hong Kong in November 2013.

Cao Yu, age 35, has served as our Chief Financial Officer since February 2025 and Director since April 2025. She previously served as the treasury director of Taifeng Cultural Communication Co., Ltd where she oversaw its financial matters from November 2018 to November 2024. Prior to that, Ms. Cao served as a business manager of Yangfeng Art Exchange Co., Ltd from February 2016 to October 2018. From March 2011 to January 2016, she served as the treasury officer of financial department of Suzhou Industrial Park Xinfushida Plastic Profile Products Co., Ltd. Our Board has concluded that Ms. Cao is well-qualified to serve on our Board because of her many years of financial management experience and her extensive treasury and operational background.

Hongya Wen, age 49, has served as the Chairperson of the Board since January 2026. Most recently, Ms. Wen served as Deputy General Manager of Jiangsu Taifeng Cultural Communication Co., Ltd., an art brokerage and cultural services platform focused on the trading, exhibition, and promotion of artwork, from 2016 to November 2025, and previously served as its Sales Director from 2013 to 2016. Prior to joining Jiangsu Taifeng Cultural Communication Co., Ltd., Ms. Wen worked in the sales department of the Jiangsu Branch of China Life Insurance Company Limited. Our Board has concluded that Ms. Wen is well-qualified to serve as Chairperson of our Board because of her many years of executive leadership experience and her extensive sales and business development background.

Hu Bin, age 56, has served as our Director since April 2025. He currently serves as a director of DC International Service Trade GmbH since December 2024. Prior to that, Mr. Hu worked as a freelancer in the tourism industry from April 2001 to October 2024. From April 1994 to October 2000, he served as the general manager of Suzhou Wintime Advertising Co., Ltd. Before that, he served as the general manager of Suzhou Bauhaus Advertising Design Co., Ltd. from August 1992 to April 1994, where he was engaged in computer-aided design and 3D computer animation production. Mr. Hu began his career at Suzhou Advertising Company in October 1989, where he worked as a designer responsible for graphic design, platemaking, printing, and interior decoration. Mr. Hu graduated from Suzhou Academy of Arts in 1989. Our Board has concluded that Mr. Hu is well-qualified to serve on our Board because of his many years of leadership experience and his extensive background in design, business management, and international business development.

David Natan, age 73, has served as our Director at various times since November 2023. He currently serves as President and Chief Executive Officer of Natan & Associates, LLC, a consulting firm offering chief financial officer services to public and private companies in a variety of industries, since 2007. Mr. Natan previously served as a director of the Company from November 2023 to February 2025. He was re-appointed as a director on April 29, 2025. From February 2010 to May 2020, Mr. Natan served as Chief Executive Officer of Force Field Energy, Inc. (OTCMKTS: FNRG), a company focused on the solar industry and LED lighting products. From February 2002 to November 2007, Mr. Natan served as Executive Vice President of Reporting and Chief Financial Officer of Pharma Net Development Group, Inc., a drug development services company, and, from June 1995 to February 2002, as Chief Financial Officer and Vice President of Global Technovations, Inc., a manufacturer and marketer of oil analysis instruments and speakers and speaker components. Prior to that, Mr. Natan served in various roles of increasing responsibility with Deloitte & Touche LLP, a global consulting firm. Mr. Natan currently serves as a member of the Board of Directors and Chair of the Audit Committee of Sunshine Biopharma, Inc. (Nasdaq: SBFM), a pharmaceutical and nutritional supplement company, since February 2022. Previously, Mr. Natan has served as a director for the following public companies: Global Technovations, Forcefield Energy, Titan Pharmaceuticals (Nasdaq: TTNP), Vivakor Inc. (Nasdaq: VIVK), Net Brands Corp. (OTC: NBND), and OpGen Inc. (OTC: OPGN), and Cyclacel Pharmaceuticals (Nasdaq: CYCC). Mr. Natan holds a B.A. in Economics from Boston University. Our Board has concluded that Mr. Natan is well-qualified to serve on our Board because of his many years of executive leadership and financial management experience and his extensive background in public company governance, accounting, and corporate consulting across a broad range of industries.

Chan Oi Fat, age 47, has served as our Director since April 2025. He currently serves as Vice President – Finance of SML Holdings Limited since March 2018 and as Company Secretary of China Leon Inspection Holding Limited (HKEX: 1586) since February 2018 and of Raily Aesthetic Medicine International Holdings Limited (HKEX: 2135) since November 2020. He is an independent non-executive director of Huajin International Holdings Limited (HKEX: 2738) (since March 2025) and UBoT Holding Limited (HKEX GEM: 8529) (since May 2024) and previously served as an independent non-executive director of China Siftower International Holding Group Limited (HKEX GEM: 8623) from June 2020 to December 2023 and Shanghai Prime Machinery Company Limited (HKEX: 2345) from June 2014 to January 2021. Mr. Chan holds a B.B.A. (Hons) in Accountancy from the City University of Hong Kong (2000) and is a member of the Association of Chartered Certified Accountants (since 2003) and the Hong Kong Institute of Certified Public Accountants (since 2004). Our Board has concluded that Mr. Chan is well-qualified to serve on our Board because of his many years of financial and accounting expertise and his extensive background in public company governance across multiple international markets.

Involvement in Legal Proceedings

No director or associate of a director is involved in any material proceeding as a party adverse to the Company or with a material interest adverse to the Company.

Family Relationships

Our Chief Financial Officer, Secretary, Treasurer and director, Cao Yu, is the niece of our director, Hu Bin. There are no other family relationships between any of the Company's executive officers and directors.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires our directors and officers, and persons who own more than ten percent of our Common Stock, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock. To our knowledge, based solely on a review of the copies of such reports furnished to us, during the fiscal year ended December 31, 2025, we believe that all filing requirements applicable to our officers, directors and greater than ten percent stockholders were complied with for the fiscal year ended December 31, 2025, except that David Lazar, our former director, Chief Executive Officer and Chief Financial Officer, was late in filing one required report on Form 4 with respect to three transactions, due to an administrative error, and Chan Oi Fat was late in filing one required report on Form 3.

Code of Business Conduct and Ethics

We have a code of business conduct and ethics that applies to all of our executive officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. The code of business conduct and ethics is available on our website at www.fiee.com/govern. We intend to make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of business conduct and ethics on our website rather than by filing a Current Report on Form 8-K.

Committees of the Board

The Board has established three standing committees to assist it with its responsibilities. The composition and responsibilities of each committee are described below. The membership and responsibilities of each committee comply with the listing requirements of Nasdaq. Members serve on these committees until their resignation or until otherwise determined by the Board. In the future, the Board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Audit Committee

The purpose of the Audit Committee is set forth in the Audit Committee charter and is primarily to assist the Board in overseeing:

- the selection, evaluation and oversight of our independent auditor;
- the independent auditor’s qualifications, independence and performance;
- the performance of our internal audit function and independent auditor;
- the integrity and oversight of our financial statements, our financial reporting process and our systems of internal controls;
- review and approval of any proposed related party transactions;
- assessment and management of our exposure to risks;
- our compliance with legal and regulatory requirements;
- our compliance with our code of business conduct and ethics;
- coordination with our Compensation Committee on the evaluation of our financial management personnel.

The Audit Committee currently consists of Hu Bin, David Natan and Chan Oi Fat, and the chairman of the Audit Committee is Mr. David Natan. The Board has affirmatively determined that each of these Audit Committee members meets the independence criteria applicable to directors serving on the Audit Committee under Nasdaq and SEC rules. The Board has also determined that each of these Audit Committee members meet the requirements for financial literacy under the applicable Nasdaq Listing Rules. In addition, David Natan qualifies as a financial expert, as defined in Item 407(d)(5)(ii) of Regulation S-K. The Board has adopted a written charter under which the Audit Committee operates. A copy of the charter, which satisfies the applicable standards of the SEC and Nasdaq, is available on our website at www.fiee.com/govern.

The Audit Committee held four meetings during the fiscal year ended December 31, 2025.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee is set forth in the Nominating and Corporate Governance Committee charter and is primarily to:

- select and recommend to the Board nominees for election by the stockholders or appointment by the Board;
- annually review with the Board the composition of the Board with regards to characteristics such as independence, knowledge, skills, experience and diversity of the Board members;
- make recommendations on the frequency and structure of Board meetings and monitor the functioning of the committees of the Board;
- advise the Board periodically with regard to significant developments in the law and practice of corporate governance as well as the Company's compliance with applicable laws and regulations, and make recommendations to the Board on all matters of corporate governance and on any remedial action to be taken;
- develop and recommend to the Board a set of corporate governance guidelines applicable to the Company; and
- oversee the evaluation of the Board and management.

The Nominating and Corporate Governance Committee consists of Hu Bin, David Natan and Chan Oi Fat, and the chairman of the Nominating and Corporate Governance Committee is Chan Oi Fat. The Board has affirmatively determined that each of these Nominating and Corporate Governance Committee members meets the independence criteria applicable to directors serving on the Nominating and Corporate Governance Committee under Nasdaq and SEC rules. The Board has adopted a written charter under which the Nominating and Corporate Governance Committee operates. A copy of the charter, which satisfies the applicable standards of the SEC and Nasdaq, is available on our website at www.fiee.com/govern.

The Nominating and Corporate Governance Committee held one meeting during the fiscal year ended December 31, 2025.

Compensation Committee

The purpose of the Compensation Committee is set forth in the Compensation Committee charter and is primarily to:

- establish, review and approve the overall executive compensation philosophy of the Company;

- review the goals and objectives of the Company's executive compensation plans, and amend, or recommend that the Board amend, these goals and objectives if the Compensation Committee deems it appropriate;
- review the Company's executive compensation plans in light of the Company's goals and objectives with respect to such plans, and, if the Compensation Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new, or the amendment of existing, executive compensation plans;
- review and approve any severance or termination arrangements to be made with any executive officer of the Company;
- review compensation arrangements for the Company's employees to evaluate whether incentive and other forms of pay encourage unnecessary or excessive risk taking, and review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and the Company's compensation arrangements;
- review at least annually the goals and objectives of the Company's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, and amend, or recommend that the Board amend, these goals and objectives if the Compensation Committee deems it appropriate; and
- review at least annually the Company's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Compensation Committee deems it appropriate.

The Compensation Committee consists of Hu Bin, David Natan and Chan Oi Fat, and the chairman of the Compensation Committee is Chan Oi Fat. The Board has affirmatively determined that each of these Compensation Committee members meets the independence criteria applicable to directors serving on the Compensation Committee under Nasdaq and SEC rules. The Board has adopted a written charter under which the Compensation Committee operates. A copy of the charter, which satisfies the applicable standards of the SEC and Nasdaq, is available on our website at www.fiee.com/govern.

The Compensation Committee held one meeting during the fiscal year ended December 31, 2025.

Board Leadership Structure

The Company's governance framework provides the Board with the authority and flexibility necessary to select the appropriate leadership structure for the Board. In making determinations about the leadership structure, the Board considers many factors, including the specific needs of the business and what is in the best interests of the Company's stockholders. Hongya Wen, an independent director, currently serves as the Chairperson of the Board. Li Wai Chung currently serves as our Chief Executive Officer. The Board has carefully considered its leadership structure and believes at this time that the Company and its stockholders are best served by having the offices of Chairperson of the Board and Chief Executive Officer held by different individuals based on our business and strategy. This structure allows our Chief Executive Officer to focus on the Company's day-to-day operations and strategic vision, while allowing the Chairperson to lead the Board. The Board has not designated a lead independent director. The Board retains the authority to modify the foregoing leadership structure.

Board's Role in Risk Oversight

The Board is ultimately responsible for risk management oversight. This oversight is primarily accomplished through the Board's committees and management's reporting processes, including receiving regular reports from members of management on areas of material risk to the Company, including operational, financial and strategic risks.

The Board's standing committees support the Board by addressing various risks within their respective areas of responsibility. The Audit Committee assists the Board in discussing with management, internal auditors and the independent auditor of guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal auditing department, assessing and managing the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Compensation Committee assesses risks arising from our compensation policies and practices. The Nominating and Corporate Governance Committee advises the Board periodically with regard to significant developments in the law and practice of corporate governance as well as the Company's compliance with applicable laws and regulations, and make recommendations to the Board on all matters of corporate governance and on any remedial action to be taken. Each of the committees reports to the Board at regularly during which risks are discussed and assessed.

The Board believes that its current leadership structure supports the risk oversight function of the Board. Having the roles of Chief Executive Officer and Chairperson of the Board filled by separate individuals allows the Chief Executive Officer to lead management in its supervision of the Company's day-to-day business operations, including the identification, assessment and mitigation of material risks, and allows the Chairperson of the Board to lead the Board in its oversight of the Company's risk assessment and risk management activities.

Director Nomination Process

Our Nominating and Corporate Governance Committee is responsible for reviewing and making recommendations to our Board regarding nominations of director candidates. The Nominating and Corporate Governance Committee identifies new director candidates through a variety of sources. Our Nominating and Corporate Governance Committee will consider director candidates recommended by stockholders in the same manner it considers other candidates, but it has no obligation to recommend such candidates. A stockholder that wants to recommend a candidate for election to the Board should mail a recommendation to Flat A1, 29/F, Block A, TML Tower, 3 Hoi Shing Road, Tsuen Wan, Hong Kong. Such recommendation should describe the candidate's qualifications and other relevant biographical information and provide confirmation of the candidate's consent to serve as director.

The Nominating and Corporate Governance Committee works with the Board on an annual basis to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members. In evaluating the suitability of individual Board members, the Board and the Nominating and Corporate Governance Committee will take into account factors such as the individual's general understanding of disciplines relevant to the success of a publicly traded company; understanding of FiEE's business; education and professional background, including current employment and other board memberships; reputation for integrity; and any other factors they consider to be relevant. Additionally, in determining whether to recommend a director for re-election, the Nominating and Corporate Governance Committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the Board.

Our Nominating and Corporate Governance Committee recognizes the value of nominating individuals who will bring a variety of diverse opinions, perspectives, skills, experiences, backgrounds and orientations to the Board's discussions and decision-making processes. The Board will endeavor to reflect the diversity of FiEE's stockholders, employees, customers and the communities we serve. To that end, our Nominating and Corporate Governance Committee strives for diversity across a variety of categories, including experience, skills, accomplishments, personal qualities and other traits that it believes would contribute to our Board.

Insider Trading Policy

We have an insider trading policy that governs the purchase, sale and/or other dispositions of our securities by directors, officers, and employees, together with their immediate family members and other persons living in their households. We believe our insider trading policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable Nasdaq standards. In addition, it is the policy of the Company to comply with applicable U.S. securities laws, including laws, rules and regulations related to trading in our securities. A copy of our insider trading policy was filed as an exhibit to our Form 10-K for the year ended December 31, 2025.

ITEM 11 EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the names and positions of each person who served as our principal executive officer during the fiscal year ended December 31, 2025, and our two most highly compensated executive officers, other than the principal executive officer, who were serving as executive officers at December 31, 2025. For the fiscal year ended December 31, 2025, our named executive officers consisted of the two individuals who served as our principal executive officer and our Chief Financial Officer, who was our only other executive officer serving as of fiscal year end. No other individuals served as executive officers during the year who would have been required to be included in the table pursuant to the rules and regulations promulgated by the SEC.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Li Wai Chung ⁽¹⁾ , Chief Executive Officer and President	2025	206,542	-	-	-	-	-	206,542
David Lazar ⁽²⁾ , Former Chief Executive Officer and Chief Financial Officer	2025	-	-	-	-	-	-	-
	2024	-	-	402,250	-	-	-	402,250
Cao Yu ⁽³⁾ Chief Financial Officer	2025	57,187	-	-	-	-	-	57,187

(1) Appointed as Chief Executive Officer on February 26, 2025.

(2) Resigned as Chief Executive Officer and Chief Financial Officer on February 26, 2025.

(3) Appointed as Chief Financial Officer on February 26, 2025.

Narrative Disclosure to Summary Compensation Table

The following narrative provides a description of the material elements of compensation for our named executive officers. We do not have formal employment agreements with any of our named executive officers, and their compensation is determined at the discretion of our Board and/or Compensation Committee.

Base Salary

Base salaries are intended to provide a fixed level of annual cash compensation to our named executive officers. In determining base salary levels, we consider various factors, including the individual's responsibilities, experience, and performance, as well as the competitive marketplace for executive talent.

Outstanding Equity Awards at Fiscal Year-End

There were no outstanding equity awards that had been previously awarded to any of the named executive officers and which remained outstanding as of December 31, 2025.

Director Compensation

The following table presents the total compensation for each person who served as a director of our Board during the fiscal year ended December 31, 2025. Other than as set forth in the table and described more fully below, we did not pay any compensation, reimburse any expense of, make any equity awards or non-equity awards to, or pay any other compensation to any of the other members of our Board in such period.

Directors	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	All Other Compensation (\$)	Total (\$)
Andrew Papanicolau ⁽¹⁾	4,167	-	-	4,167
Patrick Rivard ⁽¹⁾	4,167	-	-	4,167
David Lazar ⁽¹⁾	4,167	-	-	4,167
Avraham Ben-Tzvi ⁽¹⁾	4,167	-	-	4,167
Matthew McMurdo ⁽¹⁾	4,167	-	-	4,167
Chan Oi Fat	33,333	61,334	-	94,667
David Natan	37,500	61,334	-	98,834
Cao Yu	25,000	-	-	25,000
Hu Bin	25,000	-	-	25,000

(1) Resigned effective as of February 19, 2025.

Director Agreements

Chan Oi Fat and David Natan

On April 29, 2025, the Company entered into Director Agreements with each of Chan Oi Fat and David Natan in connection with their services as directors of the Company.

Pursuant to their respective agreements, each of David Natan and Chan Oi Fat agreed to serve as a director of the Company and to be available to perform the duties consistent with such position pursuant to the Certificate of Incorporation and Bylaws of the Company, and any additional codes, guidelines or policies of the Company that may be effective now or in the future. The term of each director's engagement by the Company under their respective Director Agreements commenced on the date the respective Director Agreement was entered into ("Effective Date") and shall terminate on the earlier of: (i) the one year anniversary of the Effective Date, (ii) the director ceasing to be a member of the Board; (iii) the director's permanent disability or death or (iv) , 30 days written notice by either the Company or the director (in the case of either (i) or (ii), the "Contract Period").

Each agreement provides that the director shall be paid a cash fee of \$12,500 per quarter, payable quarterly, starting on the Effective Date and pro-rated for any partial quarter during which the director serves and shall be issued 100,000 shares of the Company's Common Stock that shall be issued if such director remains engaged as a director for a period of one year from the Effective Date. During the Contract Period, the director shall not receive or be eligible to participate in the Company's benefit programs in effect for the employees of the Company. The Company shall reimburse the director for all reasonable business travel expenses previously authorized in writing by the Company and reasonably and necessarily incurred by the director in the performance of his duties, responsibilities, and authorities hereunder.

Each of the Director Agreements contains customary confidentiality provisions, non-solicitation provisions, customary representations and warranties by the parties and other customary miscellaneous provisions.

Cao Yu and Hu Bin

On July 8, 2025, the Company entered into Director Agreements with each of Cao Yu and Hu Bin in connection with their services as directors of the Company.

Pursuant to their respective agreements, each of Cao Yu and Hu Bin agreed to serve as a director of the Company and to be available to perform the duties consistent with such position pursuant to the Certificate of Incorporation and Bylaws of the Company, and any additional codes, guidelines or policies of the Company that may be effective now or in the future. The term of each director's engagement by the Company under their respective Director Agreements commenced on the date when the respective Director Agreement was entered into and shall terminate on the earlier of: (i) the director ceasing to be a member of the Board; (ii) the director's permanent disability or death; or (iii) 30 days written notice by either the Company or the director.

Each agreement provides that the director shall be paid a cash fee of \$12,500 per quarter, payable quarterly, starting on the date when the respective Director Agreement was entered into and pro-rated for any partial quarter during which the director serves. During the term of the Director Agreement, the director shall not receive or be eligible to participate in the Company's benefit programs in effect for the employees of the Company. The Company shall reimburse the director for all reasonable business travel expenses previously authorized in writing by the Company and reasonably and necessarily incurred by the director in the performance of his duties, responsibilities, and authorities hereunder.

Each of the Director Agreements contains customary confidentiality provisions, non-solicitation provisions, customary representations and warranties by the parties and other customary miscellaneous provisions.

Clawback Policy

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules of Nasdaq and the SEC, we maintain an Incentive-Based Compensation Recovery Policy (the “Clawback Policy”), which requires that certain incentive compensation paid to any current or former executive officer, including our named executive officers, will be subject to recoupment if (a) the incentive compensation was calculated based on financial statements that were required to be restated due to material noncompliance with financial reporting requirements, without regard to any fault or misconduct, and (b) that noncompliance resulted in overpayment of the incentive compensation within the three fiscal years preceding the fiscal year in which the restatement was required. Incentive compensation subject to the Clawback Policy consists of compensation that is granted, earned, or vested based wholly or in part upon the attainment of a financial reporting measure (as defined in the rules implementing such requirement), including stock price and total shareholder return.

Practices with Regard to Timing of Equity Awards

Our Board and Compensation Committee do not take material nonpublic information into account when determining the timing and terms of equity grants. We do not have a policy or practice to time stock options based on the release of material nonpublic information. During 2025, the Company did not grant equity awards to its named executive officers during the four business days prior to or the one business day following the filing of its periodic reports or the filing or furnishing of a Form 8-K that discloses material nonpublic information.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information, as of April 24, 2026, that are beneficially owned by (i) each person or entity known to us to be the beneficial owner of more than 5% of the outstanding Common Stock; (ii) each officer and director of our Company; and (iii) all officers and directors as a group. Information relating to beneficial ownership of Common Stock by our principal stockholders is based upon information furnished by each person using “beneficial ownership” concepts under the rules of the SEC. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. To calculate a stockholder’s percentage of beneficial ownership of Common Stock, we must include in the numerator and denominator those shares of Common Stock underlying convertible securities that such stockholder is considered to beneficially own. Shares of Common Stock underlying convertible securities held by other stockholders, however, are disregarded in this calculation. Therefore, the denominator used in calculating beneficial ownership of each of the stockholders may be different.

Under the rules of the SEC, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he/she may not have any pecuniary beneficial interest.

The information contained in this table is based upon information received from or on behalf of the named individuals or from publicly available information and filings by or on behalf of those persons with the SEC.

Name and Address of Beneficial Owner	Title	Beneficially owned	Percent of Class
Executive Officers and Directors			
Li Wai Chung ⁽¹⁾	Chief Executive Officer and President	649,254	7.2%
Cao Yu ⁽²⁾	Chief Financial Officer and Director	4,615,012	40.6%
Hongya Wen	Chairperson of the Board	-	-
Hu Bin ⁽³⁾	Director	3,125,745	29.5%
David Natan	Director	148,792	1.8%
Chan Oi Fat	Director	-	-
David Lazar	Former Chief Executive Officer and Chief Financial Officer	-	-
Executive Officers and Directors as a Group (total of 7 persons)			
		8,538,803	59.8%
5% Stockholders			
Cao Yu ⁽²⁾		4,615,012	40.6%
Elements Corporate Services Limited ⁽⁴⁾		3,196,343	38.0%
Hu Bin ⁽³⁾		3,125,745	29.5%
Youxin Consulting Limited ⁽¹⁾		649,254	7.2%

(1) Includes (i) 245,553 shares of Series A Convertible Preferred Stock, owned and controlled by Youxin Consulting Limited, an entity wholly controlled by Li Wai Chung, which are convertible into 343,774 shares of Common Stock and (ii) 305,480 shares of Common Stock issuable upon a warrant owned and controlled by Youxin Consulting Limited.

(2) Includes (i) 1,585,366 shares of Common Stock, (ii) 1,145,833 shares of Series A Convertible Preferred Stock, which are convertible into 1,604,166 shares of Common Stock and (iii) 1,425,480 shares of Common Stock issuable upon a warrant.

(3) Includes (i) 853,659 shares of Common Stock, (ii) 859,319 shares of Series A Convertible Preferred Stock, which are convertible into 1,203,046 shares of Common Stock and (iii) 1,069,040 shares of Common Stock issuable upon a warrant.

(4) Includes (i) 3,119,830 shares of Common Stock and (ii) 54,652 shares of Series A Convertible Preferred Stock, which are convertible into 76,513 shares of Common Stock.

Equity Compensation Plan Information

The following table summarizes information with respect to our equity compensation plans under which our equity securities are authorized for issuance as of December 31, 2025:

	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	-	\$ -	1,394,230
Equity compensation plans not approved by security holders	-	\$ -	-
Total	-	\$ -	1,394,230

ITEM 13 CERTAIN RELATIONSHIPS, RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

Transactions with related persons are governed by our code of business conduct and ethics, which applies to all of our directors, officers and employees. This code of business conduct and ethics covers a wide range of potential activities, including, among others, conflicts of interest, self-dealing and related party transactions. Waiver of the policies set forth in this code will only be permitted when circumstances warrant. Such waivers for directors and executive officers, or that provide a benefit to a director or executive officer, may be made only by our Board, as a whole, or the Audit Committee. Absent such a review and approval process in conformity with the applicable guidelines relating to the particular transaction under consideration, such arrangements are not permitted. All related party transactions for which disclosure is required to be provided herein were approved in accordance with our code of business conduct and ethics.

Transactions with Related Persons

SEC rules require us to disclose any transaction in which the amount involved exceeds the lesser of \$120,000 or one percent of the average of FiEE's total assets at year end for the last two completed fiscal years. A related person is any executive officer, director, nominee for director, or holder of more than 5% of our common stock, or an immediate family member of any of those persons.

Amended and Restated Investor Purchase Agreement

On February 18, 2025, the Company entered into, and simultaneously closed the transactions under, the Amended and Restated Securities Purchase Agreement ("Investor Purchase Agreement") among Cao Yu, Hu Bin, and Youxin Consulting Limited, a Hong Kong company (collectively, the "Investor Purchasers"), David Lazar and the Company, whereby Lazar sold to the Investor Purchasers (i) 2,219,447 shares of his Series A Convertible Preferred Stock, (ii) the Lazar Warrants, and (iii) 2,656,980 shares of Common Stock and 85,910 shares of Series A Convertible Preferred Stock. The Investor Purchasers also purchased certain receivables that the Company owed to Lazar (the "Lazar Receivables"). The purchase price was \$500,000.

As further consideration, Lazar has the opportunity to be paid by the Investor Purchasers an additional \$3,400,000, less any indemnity and other obligations payable by Lazar, if (i) the Common Stock is listed on the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, or any successors to any of the foregoing (each a "Trading Market") on or before December 31, 2025 and (ii) the Company has satisfied all applicable initial and continuing listing requirements of the applicable Trading Market. Additionally, if the foregoing is achieved, Lazar will also receive a number of newly issued shares of Common Stock equal to 3% of the then outstanding shares of Common Stock on the date the Common Stock is listed on a Trading Market pursuant to Section 4(a)(2) of the Securities Act.

The Investor Purchase Agreement includes a covenant that, promptly following the closing, the Company will take all actions reasonably necessary to amend its certificate of incorporation to increase the Stated Value (as defined in the certificate of incorporation) of the Series A Convertible Preferred Stock from \$1.40 to \$2.75 in consideration for cancelling the Lazar Warrants and forgiving the Lazar Receivables.

Cao Yu Securities Purchase Agreement

On May 9, 2025, the Company entered into, and simultaneously closed the transactions under, a Securities Purchase Agreement with Cao Yu, whereby the Company sold 1,585,366 shares of Common Stock to Cao Yu, for an aggregate purchase price of \$2,600,000.

Hu Bin Securities Purchase Agreement

On May 9, 2025, the Company entered into, and simultaneously closed the transactions under, a Securities Purchase Agreement with Hu Bin, whereby the Company sold 853,659 shares of Common Stock to Hu Bin, for an aggregate purchase price of \$1,400,000.

Second Amended and Restated Investor Purchase Agreement

On May 9, 2025, the Company entered into a Second Amended and Restated Investor Purchase Agreement with Lazar and the Investor Purchasers to remove references to the issuance of the Lazar Common Stock, which issuance was rescinded and replaced with the Convertible Note described below, and remove references to the Earnout Shares. The Investor Purchasers agreed that they will surrender the Lazar Warrants to the Company for cancellation and irrevocably waive and forgive the Lazar Receivables for the benefit of the Company.

Convertible Note

On May 9, 2025, the Company and David Lazar (“Noteholder”) entered into an unsecured promissory note (the “Convertible Note”), under which, effective as of February 18, 2025 (the “Effective Date”), the Company agreed to pay to the Noteholder a principal amount of \$300,000, together with interest on the balance of the principal from time to time outstanding, at the rates and at the times described therein. The outstanding principal balance of the Convertible Note shall be paid in full on or prior to December 31, 2025.

In the event the stockholder approval is obtained, the outstanding principal amount of the Convertible Note and any unpaid accrued interest shall automatically convert in whole into shares of Common Stock at a conversion price per share equal to \$0.25 per share, rounded to the nearest whole share, effective as of the date of stockholder approval. Within ninety (90) days following the Effective Date, the Company shall hold a special meeting of stockholders (which may also be at the annual meeting of stockholders) for the purpose of obtaining stockholder approval.

Lazar Services Agreement

On May 9, 2025, the Company entered into a services agreement with David Lazar (“Service Provider”), pursuant to which the Company engages Service Provider as an independent contractor, to (i) use best efforts to obtain a decision from the SEC that Nasdaq must hold a hearing to consider the merits of the Company’s appeal from being delisted from Nasdaq, (ii) use best efforts to achieve a Nasdaq Listing for the Company on or before December 31, 2025 (such date of achievement being the “Listing Date”) and (iii) continue to provide additional services to the Company in furtherance of achieving a Nasdaq Listing through the earlier of December 31, 2025, or the Listing Date.

Independent Directors

The Board reviews the independence of the current and potential members of the Board in accordance with independence requirements set forth in the Nasdaq Listing Rules and applicable provisions of the Exchange Act based on director responses to director and officer questionnaires and other information available to the Board. During its review, the Board considers transactions and relationships between each director and potential director, as well as any member of his or her immediate family, and the Company and its affiliates, including those related-party transactions contemplated by Item 404(a) of Regulation S-K under the Exchange Act. The Board must affirmatively determine that the director has no material relationship with the Company, either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company, that, in the opinion of the Board, would interfere with the exercise of the director’s independent judgment in carrying out the responsibilities of a director. The purpose of this review is to determine whether any such relationships or transactions exist that are inconsistent with a determination that the director is independent. The Board has determined that each of Hongya Wen, Hu Bin, David Natan, and Chan Oi Fat is independent within the meaning of Rule 5605(a)(2) of the Nasdaq Listing Rules and the rules and regulations promulgated by the SEC.

ITEM 14 PRINCIPAL ACCOUNTANT FEES AND SERVICES

Change in Independent Registered Public Accounting Firm

On July 11, 2025, the Audit Committee approved the dismissal of Beckles & Co., Inc. (“Beckles & Co”) its independent registered public accounting firm since May 2024, effective immediately. The audit reports of Beckles & Co on the Company’s consolidated financial statements as of and for the fiscal year ended December 31, 2024 did not contain an adverse opinion or a disclaimer of opinion, nor were the reports qualified or modified as to uncertainty, audit scope, or accounting principles.

During the fiscal year ended December 31, 2024, and during the subsequent interim period through July 11, 2025, there were no “disagreements” (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K) between the Company and Beckles & Co on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures which, if not resolved to the satisfaction of Beckles & Co, would have caused Beckles & Co to make reference to the subject matter of the disagreement in connection with its report on the Company’s consolidated financial statements for such year.

Beckles & Co’s report on the financial statements of the Company for the fiscal year ended December 31, 2024 did not contain an adverse opinion or disclaimer of opinion, nor were they modified or qualified as to uncertainty, audit scope or accounting principles except that Beckles & Co’s reports on the financial statements of the Company for the fiscal year ended December 31, 2024 contained the following paragraph:

“The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company’s significant operating losses raise substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.”

Beckles & Co provided to the Company a letter stating that it agrees with the above statements, a copy of which was filed as Exhibit 16.1 to the Company’s Form 8-K filed with the SEC on July 16, 2025.

On July 11, 2025, the Audit Committee, after a thorough evaluation, approved the selection of UHY LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2025, subject to UHY LLP’s completion of its standard client acceptance procedures, which occurred.

Fees to Independent Registered Public Accounting Firms

Set forth below are approximate fees for services rendered by UHY LLP and Beckles & Co, our independent registered public accounting firms, for the fiscal year ended December 31, 2025 and the fiscal year ended December 31, 2024, respectively.

	2025	2024
Audit Fees	\$ 265,650	\$ 251,500
Audit-Related Fees	\$ 9,025	\$ -
Tax Fees	\$ -	\$ -
All Other Fees	\$ -	\$ -
Total Fees	\$ 274,675	\$ 251,500

Audit Fees. This category includes the audit of our annual consolidated financial statements, reviews of our financial statements included in our Form 10-Qs and services that are normally provided by our independent registered public accounting firm in connection with its engagements for those years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of our interim financial statements.

Audit-Related Fees. This category consists of assurance and related services by our independent registered public accounting firm that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under “Audit Fees.” The services for the fees disclosed under this category include consents regarding equity issuances.

Tax Fees. This category typically consists of professional services rendered by our independent registered public accounting firm for tax compliance and tax advice.

All Other Fees. This category includes aggregate fees billed in each of the last two fiscal years for products and services provided by either Beckles & Co or BF Borgers CPA PC., other than the services reported in the categories above.

Pre-Approval Policies and Procedures

The Audit Committee is required to review and approve in advance the retention of the independent auditors for the performance of all audit and lawfully permitted non-audit services and the fees for such services. The Audit Committee may delegate to one or more of its members the authority to grant pre-approvals for the performance of non-audit services, and any such Audit Committee member who pre-approves a non-audit service must report the pre-approval to the full Audit Committee at its next scheduled meeting. The Audit Committee is required to periodically notify the Board of their approvals. The required pre-approval policies and procedures were complied with during 2025 and 2024.

PART IV

ITEM 15 EXHIBITS AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES

(a)(3) List of Exhibits.

The following documents are filed as part of this report:

Exhibits. The following exhibits are filed, furnished or incorporated by reference as part of this Form 10-K/A.

Exhibit No.	Exhibit Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form 10 filed by the Company on September 4, 2009).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on November 18, 2015).
3.3	Certificate of Designation of Series A Junior Participating Preferred Stock (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company on November 18, 2015).
3.4	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on July 30, 2019).
3.5	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on June 4, 2021).
3.6	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.2 to the Form 8-K filed by the Company on June 4, 2021).
3.7	Certificate of Correction of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K/A filed by the Company on June 30, 2021).
3.8	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on July 23, 2021).
3.9	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to Form 8-K filed by the Company on March 31, 2023).
3.10	Certificate of Designation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on March 1, 2024).
3.11	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on March 6, 2024).
3.12	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on February 28, 2025).

3.13	Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on August 7, 2025).
3.14	Second Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Form 8-K filed by the Company on March 28, 2025).
4.1**	Description of Securities.
4.2	Unsecured Promissory Note by and between the Company and David Lazar, dated May 9, 2025 (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Company on May 12, 2025).
10.1	Amended and Restated Securities Purchase Agreement by and among the Company, the Purchasers and Seller, effective as of February 18, 2025. (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on February 24, 2025).
10.2	Amendment No. 1 to the Securities Purchase Agreement dated as of November 12, 2024 by and among the Purchasers and the Company, effective as of February 18, 2025 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on February 24, 2025).
10.3**+	Form of Director Agreement.
10.4+	FiEE, Inc. 2025 Equity Incentive Plan (incorporated by reference to Exhibit 4.16 to the Form S-8 filed by the Company on December 23, 2025).
10.5	Securities Purchase Agreement by and between the Company and Cao Yu, dated May 9, 2025 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on May 12, 2025).
10.6	Securities Purchase Agreement by and between the Company and Hu Bin, dated May 9, 2025 (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on May 12, 2025).
10.7	Purchase Agreement by and between the Company and Helena Global Investment Opportunities I Ltd., dated May 9, 2025 (incorporated by reference to Exhibit 10.3 to the Form 8-K/A filed by the Company on May 12, 2025).
10.8	Second Amended and Restated Securities Purchase Agreement by and among the Company, David Lazar, Cao Yu, Hu Bin and Youxin Consulting Limited, dated May 9, 2025 (incorporated by reference to Exhibit 10.4 to the Form 8-K filed by the Company on May 12, 2025).
10.9	Services Agreement by and between the Company and David Lazar, dated May 9, 2025 (incorporated by reference to Exhibit 10.5 to the Form 8-K filed by the Company on May 12, 2025).
10.10	Asset Purchase Agreement, dated as of June 30, 2025, by and among FiEE (HK) Limited, Hongyan Sun, Lin Lin and Suzhou Yixuntong Network Technology Co., Ltd (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on July 2, 2025).
10.11	Share Purchase Agreement, dated as of November 27, 2025, by and among FiEE, Inc., Yang Zhiqin and Lin Lin (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on December 2, 2025).
10.12	Technology Transfer Agreement, dated as of November 27, 2025, by and between FiEE, Inc. and Lin Lin (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on December 2, 2025).
10.13	Form of Securities Purchase Agreement (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on February 2, 2026).

10.14	Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on February 2, 2026).
10.15**	Amendment No. 1 to Securities Purchase Agreement dated as of January 30, 2026 by and among the Company and the Purchasers therein, effective as of February 28, 2026.
19.1**	Insider Trading Policy.
21.1**	Subsidiaries.
23.1**	Consent of Independent Registered Public Accounting Firm (UHY LLP).
23.2**	Consent of Independent Registered Public Accounting Firm (Beckles & Co.).
31.1*	CEO Rule 13a-14(a)/15d-14(a) Certification.
31.2*	CFO Rule 13a-14(a)/15d-14(a) Certification.
32.1**	CEO Section 1350 Certification.
32.2**	CFO Section 1350 Certification.
97**	Incentive Compensation Recovery Plan.
101.INS**	Inline XBRL Instance Document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed or furnished herewith.

** Filed or furnished as an exhibit to the Original Form 10-K.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIEE, INC.
(Registrant)

Date: April 29, 2026

By: /s/ Li Wai Chung
Li Wai Chung
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Li Wai Chung</u> Li Wai Chung	Chief Executive Officer and President (principal executive officer)	April 29, 2026
<u>/s/ Cao Yu</u> Cao Yu	Chief Financial Officer, Treasurer and Secretary, and Director (principal financial and accounting officer)	April 29, 2026
<u>*</u> Hongya Wen	Chairperson of the Board	April 29, 2026
<u>*</u> Hu Bin	Director	April 29, 2026
<u>*</u> David Natan	Director	April 29, 2026
<u>*</u> Chan Oi Fat	Director	April 29, 2026
<u>*By: /s/ Li Wai Chung</u> Li Wai Chung, Attorney-in-Fact		

