



V & V TECHNOLOGY HOLDINGS LIMITED

時騰科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8113)

2026

INTERIM REPORT



This Interim Report is printed on environmentally friendly paper

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*This report, for which the directors (the “**Directors**”) of V & V Technology Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Dr. Yim Yuk Lun, Stanley *SBS BBS JP*
Mr. Yim Tsz Yu, Jeffrey

Non-Executive Directors

Mr. Yim Tsz Kit, Jacky (*Chairman*)
Ms. Yim Kei Man, Carmen
Mr. Wong Wai Tai

Independent Non-Executive Directors

Mr. Shea Chun Lok, Quadrant
Mr. Fung Cheuk Nang, Clement
Mr. Lau Sun Tao, Gary

AUDIT COMMITTEE

Mr. Shea Chun Lok, Quadrant (*Chairman*)
Mr. Fung Cheuk Nang, Clement
Mr. Lau Sun Tao, Gary

REMUNERATION COMMITTEE

Mr. Shea Chun Lok, Quadrant (*Chairman*)
Mr. Fung Cheuk Nang, Clement
Mr. Yim Tsz Yu, Jeffrey

NOMINATION COMMITTEE

Mr. Shea Chun Lok, Quadrant (*Chairman*)
Mr. Fung Cheuk Nang, Clement
Ms. Yim Kei Man, Carmen

COMPANY SECRETARY

Mr. Chan Ka Ho, Vincent

REGISTERED OFFICE

One Nexus Way
Camana Bay, Grand Cayman
KY1-9005, Cayman Islands

PRINCIPAL OFFICE

15/F, S.A.S. Tower
55 Lei Muk Road
Kwai Chung
New Territories, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F., Far East Finance Centre
16 Harcourt Road, Hong Kong

PRINCIPAL BANKERS

The Bank of East Asia, Limited
Chong Hing Bank Limited
Hang Seng Bank Limited

AUDITORS

JFY CPA Limited
Certified Public Accountants
Unit 1709-11, 17/F
Tower 2, The Gateway, Harbour City
25 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong

WEBSITE

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STOCK CODE

The Stock Exchange of Hong Kong Limited:
8113



FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2026 (Unaudited)	2025 (Unaudited)	Change
Revenue (HK\$'000)	712,901	418,022	70.5%
Profit attributable to owners of the Company (HK\$'000)	2,121	1,101	92.6%
Basic earnings per share (HK cents)	1.46	0.76	92.1%

The board of directors (the “**Board**”) of V & V Technology Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2026, together with comparative figures for the previous period, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	For the six months ended 30 June	
		2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Revenue	3	712,901	418,022
Cost of sales		(688,142)	(401,461)
Gross profit		24,759	16,561
Other income		566	613
Other loss		(205)	(278)
Impairment losses under expected credit loss model, net of reversal		(1,840)	22
Distribution costs		(4,995)	(3,094)
Administrative expenses		(11,160)	(8,518)
Finance costs		(4,858)	(4,201)
Profit before taxation		2,267	1,105
Income tax expenses	4	(146)	(4)
Profit for the period	6	2,121	1,101
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations of subsidiaries		2,589	1,824
Total comprehensive income for the period		4,710	2,925
Basic earnings per share (HK cents)	7	1.46	0.76

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Non-current Assets			
Property, plant and equipment		1,126	1,265
Club membership		266	266
		1,392	1,531
Current Assets			
Inventories		151,827	139,165
Trade and other receivables	8	271,675	150,249
Debt instruments at fair value through other comprehensive income		9,636	6,346
Tax recoverable		546	—
Amount due from related companies	12	1,727	2,370
Restricted/pledged bank deposits		19,500	11,700
Bank balances and cash		21,164	69,303
		476,075	379,133
Current Liabilities			
Trade and other payables	9	154,871	118,672
Contract liabilities	10	19,583	13,815
Amount due to related companies	12	—	1,111
Tax payable		256	84
Bank borrowings		204,202	153,656
		378,912	287,338
Net Current Assets		97,163	91,795
Net Assets		98,555	93,326
Capital and Reserves			
Share capital	11	14,536	14,536
Reserves		84,019	78,790
TOTAL EQUITY		98,555	93,326

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Shareholder's contribution reserve HK\$'000	Deemed Contribution reserve HK\$'000	(Accumulated loss)/ Retained profits HK\$'000	Total HK\$'000
At 31 December 2025 (audited)	14,536	106,494	25,000	(822)	448	1,083	(53,413)	93,326
Profit for the period	-	-	-	-	-	-	2,121	2,121
Exchange differences arising on translation of foreign operations: - subsidiaries	-	-	-	2,589	-	-	-	2,589
Deemed contribution	-	-	-	-	-	519	-	519
Total comprehensive income for the period	-	-	-	2,589	-	519	2,121	5,229
At 30 June 2026 (unaudited)	14,536	106,494	25,000	1,767	448	1,602	(51,292)	98,555
At 31 December 2024 (audited)	14,536	106,494	25,000	(2,774)	448	793	(56,884)	87,613
Profit for the period	-	-	-	-	-	-	1,101	1,101
Exchange differences arising on translation of foreign operations: - subsidiaries	-	-	-	1,824	-	-	-	1,824
Total comprehensive income for the period	-	-	-	1,824	-	-	1,101	2,925
At 30 June 2025 (unaudited)	14,536	106,494	25,000	(950)	448	793	(55,783)	90,538

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Net cash flows (used in)/from operating activities	(88,937)	181
Net cash (used in) investing activities	(7,479)	(14,177)
Net cash from/(used in) financing activities	45,688	(20,719)
Net (decrease) in cash and cash equivalents	(50,728)	(34,715)
Cash and cash equivalent at 1 January	69,303	51,238
Effect of foreign exchange rate changes	2,589	(2,148)
Cash and cash equivalents at 30 June, represented by bank balances and cash	21,164	14,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of placing on 7 January 2016.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements under Chapter 18 of the GEM Listing Rules.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2026 for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these condensed consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
HKFRS 18	Presentation and Disclosure in Financial Statements ²
Amendments to HK Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2027

The Group is in the process of assessing the impact of these new and amendments to HKFRS Accounting Standards. Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effect of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. REVENUE

Revenue represents the sales of electronic components with/without the provision of independent design house service to external parties.

(i) Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers.

Revenue by geographical market For the six months ended 30 June		
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Chinese Mainland	498,769	276,680
Hong Kong	136,806	138,368
Taiwan	70,315	2,870
Others	7,011	104
	712,901	418,022

3. REVENUE (Continued)

(ii) Information about major customers

No customer individually contributed over 10% of the Group's revenue for the six months ended 30 June 2026 and 2025.

4. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Current tax:		
Hong Kong Profits Tax	—	—
People's Republic of China ("PRC") Enterprise Income Tax ("EIT")	—	4
Taiwan Corporate Income Tax	146	—
	146	4

Hong Kong Profits Tax

The Hong Kong Profits Tax is calculated at the rate of 16.5% on the estimated assessable profits arising in Hong Kong, except for the first HK\$2 million of qualified entity's assessable profits is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

PRC Enterprise Income Tax

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the Group's PRC subsidiaries are subject to PRC EIT at the statutory rate of 25% and except for qualified as a Small Low-Profit Enterprise and enjoyed a reduction of 75% taxable income with corporate income tax levied at a preferential statutory rate of 20%.

Taiwan Corporate Income Tax

Corporate income tax in Taiwan is charged at 20% for the period.

5. DIVIDEND PAID

No dividend was paid or declared for the financial year ended 31 December 2025.

6. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging /(crediting):		
Director's remuneration	450	780
Staff costs:		
Salaries and other allowances	9,224	5,219
Retirement benefit scheme contributions	921	863
Total staff costs	10,595	6,862
Cost of inventories recognized as an expense	688,142	401,421
Auditor's remuneration	347	340
Net exchange loss	205	278
Depreciation of property, plant and equipment	159	84
Allowance of/(Reversal of) inventories, net	704	(6,393)
Bank interest income	(403)	(567)
Allowance of/(Reversal of) impairment loss under expected credit loss model – trade receivables, net	1,840	(22)

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	For the six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Earnings:		
Profit for the period attributable to owners of the Company, for the purpose of basic earnings per share	2,121	1,101

7. EARNINGS PER SHARE (Continued)

	For the six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	145,362	145,362

Weighted average number of ordinary shares for the purpose of basic earnings per share.

On 22 May 2025, every ten issued existing shares of the Company were consolidated into one share of the Company (each a “**Consolidated Share**”) and the number of Consolidated Shares was rounded down to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise.

8. TRADE AND OTHER RECEIVABLES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade receivables	214,856	107,260
Other receivables, deposits and prepayments	59,481	43,811
Total trade and other receivables	274,337	151,071
Less: allowance for expected credit losses	(2,662)	(822)
Net trade and other receivables	271,675	150,249

The Group allows credit period ranging from 30 days to 90 days which are agreed with each of its trade customers.

8. TRADE AND OTHER RECEIVABLES (Continued)

The following is an ageing analysis of trade receivables presented based on the invoice date at the end of each reporting period:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
1 – 30 days	89,920	60,156
31 – 60 days	75,490	26,766
61 – 90 days	18,631	11,123
91 – 180 days	25,506	5,523
181 – 365 days	1,921	2,885
Over 365 days	3,388	807
	214,856	107,260

Before accepting a new customer, the Group assesses the potential customer's credit quality by investigating their historical credit record and then sets a credit limit for that customer. Limits attributed to customers are reviewed periodically. The majority of the trade receivables that are neither past due nor impaired have no history of defaults on payments.

As at the reporting date, included within the Group's trade receivable was an aggregate amount of approximately HK\$3,388,000 (originating from invoice dates over 365 days). Subsequent to the end of the reporting period and up to the date of this report, the Group has successfully recovered approximately HK\$2,867,000 of this outstanding balance, representing a recovery rate of approximately 84.6%.

9. TRADE AND OTHER PAYABLES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade payables	142,147	114,518
Other payables and accruals	12,724	4,154
Total trade and other payables	154,871	118,672

The credit period on trade payables ranged from 22 days to 60 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
1 – 30 days	91,548	69,907
31 – 60 days	35,427	35,805
61 – 90 days	7,791	8,625
91 – 120 days	148	0
121 – 365 days	7,230	178
Over 365 days	3	3
	142,147	114,518

10. CONTRACT LIABILITIES

The contract liabilities mainly related to the advance considerations received from customers. As at 30 June 2026, the aggregated amount of transaction price allocated to performance obligations under the Group's existing contract is HK\$19,583,000 (31 December 2025: HK\$13,815,000).

11. SHARE CAPITAL

	30 June 2026	
	Number of ordinary shares '000	Amount HK\$'000 (Unaudited)
Authorised:		
Ordinary shares of HK\$0.1 each at 31 December 2025	200,000	20,000
Increase in authorised share capital (Note a)	400,000	40,000
Ordinary shares of HK\$0.1 each at 30 June 2026	600,000	60,000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each at 31 December 2025	145,362	14,536
Ordinary shares of HK\$0.1 each at 30 June 2026	145,362	14,536

Note a:

Pursuant to an ordinary resolution passed by the shareholders of the Company at an annual general meeting held on 11 June 2026, the Company's authorised share capital was increased from HK\$20,000,000 divided into 200,000,000 shares of HK\$0.1 each to HK\$60,000,000 divided into 600,000,000 shares of HK\$0.1 each by the creation of an additional 400,000,000 unissued shares of HK\$0.1 each with effect from 11 June 2026.

12. AMOUNTS DUE FROM RELATED COMPANIES/TO RELATED COMPANIES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Amounts due from related companies		
– S.A.S. Dragon (Note a)	–	628
– S.A.S. Microelectronics Company Limited ("S.A.S. Microelectronics") (Note b)	967	967
– SMartech Electronic Company Limited ("SMartech") (Note b)	760	760
– S.A.S. Semiconductor Company Limited ("S.A.S. Semiconductor") (Note c)	–	10
– Time Speed Technology Corporation ("Time Speed") (Note b)	–	5
	1,727	2,370

Notes:

- (a) S.A.S. Dragon is the intermediate holding company of the Company. The balance is unsecured, interest free with credit period of 120 days and denominated in HK\$, which is other than the functional currency of the relevant group entities.
- (b) S.A.S. Microelectronics, SMartech and Time Speed are subsidiaries of S.A.S. Dragon. The balances are unsecured, interest free with credit period of 30-120 days, 30-120 days and 30 days respectively, and denominated in HK\$, which is other than the functional currency of the relevant group entities.
- (c) S.A.S. Semiconductor is a subsidiary of S.A.S. Dragon. The balance is unsecured, interest fee, repayable on demand and denominated in HK\$, which is other than the functional currency of the relevant group entities.

12. AMOUNTS DUE FROM RELATED COMPANIES/TO RELATED COMPANIES (Continued)

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Amounts due to related companies		
– S.A.S. Electronic Company Limited (“ S.A.S. Electronic ”) (Note a)	–	36
– S.A.S. Investment Company Limited (“ S.A.S. Investment ”) (Note b)	–	1,007
– S.A.S. Lighting Company Limited (“ S.A.S. Lighting ”) (Note b)	–	68
	–	1,111

Notes:

- (a) S.A.S. Electronic is a subsidiary of S.A.S. Dragon. The balance is unsecured, interest free with credit period of 60-120 days and denominated in HK\$, which is other than the functional currency of the relevant group entities.
- (b) S.A.S. Investment and S.A.S. Lighting are subsidiaries of S.A.S. Dragon. The balances are unsecured, interest free, repayable on demand and denominated in HK\$, which is other than the functional currency of the relevant group entities.



MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is primarily engaged in the sales of electronic components (mainly integrated circuit (“IC”) and panels for consumer electronic products such as mobile internet devices, network communication system, smart home audio, together with the provision of IDH services to original brand manufacturers and original design manufacturers.

For the six months ended 30 June 2026, the Group recorded a significant revenue growth of 70.5% as compared to the corresponding period in 2025. This robust performance was primarily driven by expanding the new customer base across the mobile internet devices sector, to which the Group supplies AI-Chips and memory products. Also, the commercial adoption of the Group's IC solutions for smart home appliances, which increased the revenue in the first half of 2026.

Furthermore, the Group benefited from the accelerated integration and upgrading of AI-enabled features across other consumer electronic products, which stimulated strong demand for specialized AI chips and memory products.

Looking ahead, the Group will maintain its core strategic focus on delivering high-performance products and solutions to customers across the Greater China region. The Group remains dedicated to driving sustainable growth, enhancing product relevance, and strengthening its long-term market competitiveness.

Mobile Internet Devices

During the period under review, the Group expanded its customer base within the electronic consumer products, driving demand for its AI-chips, memory products and display panel solutions. As a result, the Group recorded an increase in revenue in the Greater China region. However, despite navigating a broader market environment characterized by fluctuating demand trends and rising component prices across electronic consumer products, the Group will sustain its operational momentum by flexibly adjusting operational strategies as needed.

Network Communication System

The Group recorded steady growth in its networking solutions business. In terms of technology generations, Wi-Fi 5 and Wi-Fi 6/6E chips are currently applied in home appliances, while the Group is well-positioned to embrace Wi-Fi 7 and expects this technological transition to create more opportunities to secure further design-in wins with our customers.



Smart Home Audio

During the period under review, the Group delivered stable revenue from its smart home audio solutions. The Group remains committed to advancing AI-enabled capabilities and smart home connectivity, with the expectation that integrating AI functionality will generate expanded revenue streams moving forward.

Smart Home Appliance

During the period under review, the Group's smart home appliances business generated revenue by delivering IC solutions for photocouplers, sensors and infrared products to leading home appliance manufacturers across the Greater China region.

OUTLOOK

Looking ahead into 2026, the Group expects the macroeconomic landscape to remain dynamic, marked by evolving global supply chain realities and localized market adjustments. Notwithstanding these opportunities, market conditions are expected to remain dynamic and subject to ongoing macro-environmental shifts. The Group will continue to broaden strategic partnerships with a diverse network of suppliers to achieve product diversification, and reinforce its long-term market competitiveness and will continuously monitor and adjust its operational strategies to safeguard asset quality and ensure long-term business resilience.

INTERIM DIVIDEND

The board does not recommend the payment of interim dividend for the six months ended 30 June 2026 (Six months ended 30 June 2025: Nil).



FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group achieved sales revenue of HK\$712,901,000, increased by 70.5% from HK\$418,022,000 recorded in the corresponding period of 2025.

Gross Profit

For the six months ended 30 June 2026, the Group's gross profit was HK\$24,759,000, increased by 49.5% from HK\$16,561,000 recorded in the corresponding period of 2025. Gross profit margin was 3.5%, decreased from 4.0% recorded in the corresponding period of 2025.

Distribution Costs and Administrative Expenses

For the six months ended 30 June 2026, the Group's operating costs was HK\$16,155,000 increased by 39.1% from HK\$11,612,000 recorded in the corresponding period in 2025.

Profit Attributable to Owners of the Company

For the six months ended 30 June 2026, the profit attributable to owners of the Company was HK\$2,121,000, increased by 92.6% as compared with HK\$1,101,000 recorded in the corresponding period of 2025.

Liquidity and Financial Resources

As at 30 June 2026, the Group's current ratio was 125.6% (31 December 2025: 132.0%). The Group's principal sources of funds are used to finance working capital and the growth and expansion of the Group's operations. The Group's principal sources of funds are cash generated from operations and bank borrowings. As at 30 June 2026, the Group had bank balances and cash of HK\$21,164,000 (31 December 2025: HK\$69,303,000) and bank borrowings of HK\$204,202,000 (31 December 2025: HK\$153,656,000).

The Group recorded debtors turnover of 40 days for the period under review (2025: 44 days) based on the amount of the average of beginning and ending debtors as at 30 June 2026 divided by revenue for the respective period, multiplied by 181 days (2025: 181 days). The Group recorded inventory turnover and average payable period of 38 days and 34 days respectively for the period under review (2025: 50 days and 41 days respectively) based on the amount of the average of beginning and ending inventory and creditors as at 30 June 2026, divided by cost of sales for the respective period and multiplied by 181 days (2025: 181 days).



GEARING RATIO

As at 30 June 2026, the Group's net gearing ratio was 185.7% (31 December 2025: 90.4%), which is calculated based on the Group's net debt (calculated as total bank borrowings minus bank balances and cash) of approximately HK\$183,038,000 (31 December 2025: HK\$84,353,000) and Group's total equity of approximately HK\$98,555,000 (31 December 2025: HK\$93,326,000).

This upward shift was primarily driven by an expansion in working capital utilization to support a robust 70.5% increase in revenue (reaching HK\$712,900,000) alongside strategic inventory procurement to fulfill surging demand for AI-enabled mobile internet and smart home solutions.

CASH FLOW AND WORKING CAPITAL

Net cash generated from operations transitioned from a inflow of HK\$181,000 in the comparative period of 2025 to a net cash outflow of HK\$88,900,000 for the six months ended 30 June 2026. This variance was principally attributable to business growth in the Great China region markets and the expansion in working capital deployment required to cater the growing demand from our customers.

Bank balances and cash decreased from HK\$69,303,000 as at 31 December 2025 to HK\$21,164,000 as at 30 June 2026. The Group proactively repaid certain bank loan during the period in order to reduce the finance cost.

The Board confirms that, taking into account the cash flow generated from core operations, and the net proceeds from the Rights Issue, the Group maintains sufficient working capital to meet all financial obligations as and when they fall due.

CAPITAL STRUCTURE

Details of the movements in the Company's share capital are set out in note 11 to the condensed financial statements.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

CHARGE ON ASSETS

As at 30 June 2026, the Group's factored trade receivables with the carrying value of approximately HK\$17.1 million (2025: HK\$34.7 million) were pledged to a bank to secure general banking facilities granted to the Group.

FOREIGN CURRENCY RISK

The Group derives its turnover, make purchases and incurs expenses denominated mainly in Renminbi, US\$ and HK\$. Currently, the Group has not entered into agreements or purchases instruments to hedge the Group's exchange rate risks. The management considers that the foreign exchange risk with respect to US\$ and Renminbi are not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ and Renminbi are mainly carried out by entities with the same functional currency. The exchange rate of Renminbi is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have any significant capital commitments (31 December 2025: Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the six months ended 30 June 2026, the Group did not hold any significant investment in equity interest in any other company and there were no material acquisitions and disposals of subsidiaries by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 30 June 2026.

INFORMATION ON EMPLOYEES

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, provident funds, bonuses and a share option scheme. As at 30 June 2026, the employee headcount of the Group was approximately 60 (31 December 2025: 60).

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2026, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

Long positions in shares

Ordinary shares of HK\$0.1 each of the Company

Name of directors/ chief executive	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Directors:			
Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i> ("Dr. Yim") (Note)	Beneficial owner and interest in controlled corporation	98,865,305	68.01
Mr. Wong Wai Tai	Beneficial owner	500,000	0.34
Mr. Fung Cheuk Nang, Clement	Beneficial owner	60,000	0.04
Mr. Yim Tsz Kit, Jacky	Beneficial owner	30,000	0.02
Chief executive:			
Mr. Chan Ka Ho, Ken	Beneficial owner	115,000	0.08

Note:

Dr. Yim *SBS BBS JP* beneficially owns 12,936,858 shares and is the controlling shareholder of S.A.S. Dragon; he is therefore under the SFO deemed to be interested in 85,928,447 shares held by S.A.S. Investment Company Limited ("S.A.S. Investment") which is a wholly-owned subsidiary of S.A.S. Dragon.

SHARE OPTIONS

Share option scheme of the Company

The share option scheme was conditionally approved and adopted pursuant to a resolution in writing passed by the shareholders of the Company on 23 December 2015, which became effective on the Listing Date. A summary of the principal terms of the share option scheme is set out in Appendix IV to the prospectus of the Company dated 31 December 2015.

No option was granted by the Company under the share option scheme during the period.

As at the date of this report, save as otherwise approved by shareholders of the Company, the maximum number of shares available for issue under options which may be granted is 6,000,000, representing approximately 4.13% of the number of issued shares of the Company.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes as disclosed above, at no time during the six months ended 30 June 2026 was the Company, any of its holding companies, fellow subsidiaries or subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

At 30 June 2026, the following persons (not being the directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in shares

Ordinary shares of HK\$0.1 each of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
S.A.S. Dragon (Note)	Interest in controlled corporation	85,928,447	59.11
S.A.S. Investment (Note)	Beneficial owner	85,928,447	59.11
Vertex Value Limited	Beneficial owner	7,624,700	5.25
Victory Echo Holdings Limited	Beneficial owner	7,624,700	5.25

Note:

S.A.S. Dragon is deemed to be interested in the 85,928,447 shares held by S.A.S. Investment, a wholly-owned subsidiary of S.A.S. Dragon.

USE OF PROCEEDS FROM THE LISTING

On 7 January 2016, the Company has offered 150,000,000 shares for subscription by way of placing and raised net proceeds of approximately HK\$30 million (“**IPO Net Proceeds**”).

The change of use of IPO Net Proceeds was approved by the Board of Directors of the Company on 15 March 2018 and further change in use of IPO Net Proceeds was approved by the Board of Directors of the Company on 28 December 2021.

The followings table sets a summary of the utilization of the IPO Net Proceeds.

Uses	Original allocation as stated in the Prospectus (HK\$ million)	Revised allocation as disclosed in 2017 Annual Report (HK\$ million)	Further revised allocation of unutilised IPO Net Proceeds as at 31 December 2022 (HK\$ million)	Actual use of IPO Net Proceeds as at 30 June 2026 (HK\$ million)	Unutilised as at 30 June 2026 (HK\$ million)	Expected timeline of full utilisation of the balance
Upgrading the Group's Enterprise Resource Planning (“ERP”) system	4.6	4.6	–	0.7	3.9	By end of 2027
Expanding the Group's Electronic Learning Aid (ELA) business by engaging in:						
– Research and development staff expenses	2.5	2.5	–	2.5	–	N/A
– Equipment purchases	8.7	8.7	(7.5)	1.2	–	N/A
	11.2	11.2	(7.5)	3.7	–	
Expanding the Group's product range by engaging in:						
– Car infotainment	2.8	2.8	–	2.8	–	N/A
– Drones Wi-Fi Transmission	2.8	2.8	–	2.8	–	N/A
– Artificial Intelligence and Internet-of-Things	–	5.6	–	5.6	–	N/A
– Development of Metaverse hardware	–	–	7.5	2.9	4.6	By end of 2027
– Others	5.6	–	–	–	–	N/A
	11.2	11.2	7.5	14.1	4.6	
General working capital	3.0	3.0	–	3.0	–	
Total	30.0	30.0	–	21.5	8.5	

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions in the Corporate Governance Code as contained in Appendix C1 to the GEM Listing Rules (the "**CG Code**") through the six months ended 30 June 2026, except for the following deviation:

Under the code provision C.1.7 of the CG Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual litigation against the Directors is very low. The Company will consider to make such an arrangement as and when it thinks necessary.

As at 30 June 2026, the Company has three independent non-executive Directors in total, among whom Mr. Shea Chun Lok, Quadrant and Mr. Fung Cheuk Nang, Clement have served for more than nine years. Following review by the Nomination Committee, the Board confirms that both directors maintain independent character and judgement. The Company obtains annual written independence declarations to verify their independence status. Their lengthy tenure delivers comprehensive institutional knowledge of the Group's core operations and strengthens independent board supervision.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group, internal control, risk management and the unaudited consolidated financial statements for the six months ended 30 June 2026.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the "**Code of Conduct**") regarding securities transactions by the Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the Code of Conduct throughout the six months ended 30 June 2026.

EVENTS AFTER THE REPORTING PERIOD

Reference was made to the prospectus of the Company dated 25 June 2026, the announcements of the Company dated 13 May 2026 and 17 July 2026. On 13 May 2026, the Board proposed to implement a rights issue on the basis of one (1) right share for every two (2) existing share held on the record date on a non-underwritten basis (the “**Rights Issue**”) for the purpose of backing up the Company’s investment opportunities in the future whilst increasing the working capital and enhancing its financial position of the Company. The share closing price as of 13 May 2026 was HK\$0.445. On 20 July 2026, an aggregate of 50,755,100 rights shares with an aggregate nominal value of HK\$5,075,510 were issued at the subscription price of HK\$0.450 per rights share pursuant to the rights issue prospectus of the Company dated 25 June 2026 and the results of rights issue announcement of the Company dated 17 July 2026 (the “**Announcements**”). The gross proceeds raised from the Rights Issue were approximately HK\$22.8 million and the net proceeds from the Rights Issue (after deducting all necessary costs and expenses) were approximately HK\$22.0 million. The Company intended to apply the net proceeds according to the intentions disclosed in the Announcements. For further details on the Rights Issue, please refer to the Company’s announcements dated 13 May 2026 and 17 July 2026.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and business partners for their long-term supports and dedication.

By Order of the Board
V & V Technology Holdings Limited
Yim Tsz Kit, Jacky
Chairman

Hong Kong, 17 August 2026

As at the date of this report, the Board comprises two executive Directors, namely Dr. Yim Yuk Lun, Stanley SBS BBS JP and Mr. Yim Tsz Yu, Jeffrey; three non-executive Directors, namely Mr. Yim Tsz Kit, Jacky, Ms. Yim Kei Man, Carmen and Mr. Wong Wai Tai and three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Lau Sun Tao, Gary.

This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting. This report will also be posted on the Company’s website at www.vvtholdings.com.