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Vobile Group Limited

阜博集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3738)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

Interim Condensed Consolidated Statement of Profit or Loss Highlights

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue	1,456,315	1,180,634
Gross profit	642,730	504,117
Profit before tax	126,872	69,832
Profit for the period	101,242	46,322
Non-IFRS Adjusted Net Profit	120,850	64,261
Non-IFRS Adjusted EBITDA	<u>272,401</u>	<u>196,306</u>

Interim Condensed Consolidated Statement of Financial Position Highlights

	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Total assets	4,837,965	3,916,882
Total liabilities	1,772,520	1,624,945
Net assets	3,065,445	2,291,937
Total equity	<u>3,065,445</u>	<u>2,291,937</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND PROSPECTS

I. Company Financial Performance

For the six months ended June 30, 2025, the Group focused on improving efficiency in its core businesses, strengthening its subscription and value-added services dual engines, optimising its revenue structure, improve cost efficiency, advancing its AI-related capabilities and ecosystem. The Group achieved the following key financial results:

- The total revenue was HK\$1.5 billion, reflecting a YoY increase of 23.4%. Revenue per employee was HK\$26.9 million.
- The revenue from subscription services was HK\$610 million, reflecting a YoY increase of 11.8%, accounting for about 41.9% of the revenue. The revenue from value-added services was HK\$846 million, reflecting a YoY increase of 33.3%, accounting for 58.1% of the revenue.
- The revenue in the United States and other regions was HK\$730 million, reflecting a YoY increase of 26.7%. The revenue in Mainland China was HK\$727 million, reflecting a YoY increase of 20.1%.
- The gross profit was HK\$643 million, reflecting a YoY increase of 27.5%. The gross profit margin has achieved 44.1%, reflecting a YoY increase of 1.4 percentage points compared to 1H 2024.
- The research and development expense was HK\$163 million, reflecting a YoY increase of 14.4%.
- The profit for the period was HK\$101 million, reflecting a YoY increase of 118.6%. The profit margin has achieved 7.0%, reflecting a YoY increase of 3 percentage points compared to 1H 2024.
- The adjusted net profit was HK\$121 million, reflecting a YoY increase of 88.1%.

II. Company Strategy And Outlook

In 2025, the creator economy is reaching an inflection point. The rapid iteration of multimodal large models has pushed AI-generated content far beyond expectations. New software tools for generating text, images, music, and video are emerging quickly, with widespread adoption driving significant gains in creative efficiency. Forms of expression are becoming more innovative, and application scenarios increasingly diverse. AI-powered music videos, immersive entertainment, and intelligent interactive storytelling are gradually taking shape, revealing vast commercial potential.

In recent years, with the widespread adoption of mobile apps and short video consumption, video content distribution channels have undergone a fundamental shift. A large number of creators no longer rely on the “limited shelf” model of theaters or a few platforms, but instead are enabling the free flow of creative content through the open internet. Traditional geographical and channel restrictions have been broken down, and diversified copyright operations have broadened profit models, creating a rich and diverse range of ways to utilize creative content and generate revenue. This will usher in new profit models and business opportunities for niche creatives and independent film and television making.

Under this new paradigm, the core infrastructure of the creator industry is the rights identification and attribution platform spanning the entire value chain. With AI accelerating content production, creative works can be effectively priced, transparently transacted, and continuously monetized, enabling the full value of creativity to be realized. The film and television industry is expected to shift from a “top-heavy pyramid” profit model to a massive profit model based on “scale + precise matching”, thereby unlocking new growth opportunities for this trillion-dollar industry.

As a leading global digital content protection and transaction service provider, Vobile is committed to protecting the value of creativity and achieving greater commercial value for content creators and copyright owners. The application of AI technology has significantly improved creative efficiency and diversified creative content. Vobile’s innovative monetization and trading models enable more creators to profit from their creativity. Vobile has built a commercial engine for AI applications in the creator economy, providing services to a broad community of creators.

To meet the accelerated growth of the industry, we have developed two major platforms: Vobile MAX and DreamMaker. Vobile MAX integrates the infrastructure for rights identification, attribution, and transactions, ensuring clear ownership and fair value. DreamMaker serves as an open platform for the creator community, seamlessly integrating multimodal AI creative capabilities with Vobile MAX’s multi-platform distribution. This naturally connects creativity with monetization, builds a mutually reinforcing model of creation and monetization, and delivers strong network effects.

Vobile MAX is our digital content asset trading platform. Through an open architecture that deeply connects industry partners, Vobile MAX builds a complete value chain from “creation — protection — distribution”, empowering creators with AI technology. Vobile MAX provides content registration, rights identification, distribution, data insights, and dynamic content matching to maximize content value. Leveraging blockchain and Web3 technologies, we create an efficient content distribution system that enables multi-source content aggregation, cross-platform revenue management, and efficient rights identification, supporting fast transactions and flexible profit attribution. With many countries and regions around the world actively promoting the application of stablecoins and real-world assets (RWA), Vobile MAX platform is well-positioned to capture substantial opportunities in the full distribution and efficient trading of digital assets.

DreamMaker is our integrated audio-visual creation platform built on diversified AI large models. Developed in the NVIDIA Media2 ecosystem, the platform combines multimodal capabilities such as text-to-video, image-to-video, and music production and scoring, offering creators a wide range of creative tools. The platform is equipped with built-in rights identification and source-tracing features, supports one-click distribution to major internet platforms, and is directly connected to Vobile MAX to complete rights registration, revenue tracking, and settlement.

Vobile leverages its accumulated competitive strengths in frontier technologies to advance the commercial application of content licensing and revenue-sharing mechanisms in the AI era, provides full-chain copyright protection and transaction solutions for major cultural initiatives in key emerging markets, and explores new business models in regions with institutional innovation to build a Web3-based digital content asset distribution ecosystem. By integrating technology enablement with business innovation, we aim to fully unlock the long-term value of digital content assets.

Our strategic priorities are:

1. *Seize strategic opportunities of AI and expand our AI service capabilities*

Technological advancements are revolutionizing content delivery and dissemination methods. However, regardless of how content production and distribution evolve, IP remains the core value of the film and television industry, and the protection and trading of creative content are the foundation of the industry's value chain. Vobile, leveraging its software services to provide solutions for the creative economy in the AI era, will be key to the commercialization of advanced computing power and large-scale models.

2. *Achieve scalability by upgrading to platform business and expanding services to include small and medium-sized content holders*

The rapid development of AI technology is significantly enhancing the influence of small and medium sized content creators within the creative ecosystem. We are building a platform-based ecosystem to achieve scalable customer acquisition service delivery. By leveraging Web3 technologies, we aim to establish more transparent rules, lower-cost digital rights identification mechanisms, and more refined profit attribution models. Furthermore, through digital asset transactions, we are improving content liquidity and promoting a healthy and sustainable development of the creator economy.

3. *Establishing a new paradigm for digital content asset distribution and deeply involving in the digital trade ecosystem*

The development of the global digital economy has created substantial opportunities for digital trade. We continue to refine our cultural digital asset trading platform and play an active role in building cultural industry platforms across multiple regions explore integrated development mechanisms that combine culture and technology, and cultivate new business models driven by the fusion of culture and AI. We have developed asset management

capabilities covering a wide range of content types, including long and short-form videos and music, based on our practical experience in cross-regional copyright collaboration frameworks. Leveraging our strong technological capabilities and resource, we have established a leading position in the field of digital cultural trade, opening up new business frontiers and strengthening our competitive advantages.

Leveraging its long-term accumulation of technology and resources, Vobile has established a first-mover advantage in the digital cultural trade sector. Moving forward, we will continue to solidify our global leadership in the industry, seize opportunities presented by major industry transformations, and lead in technological innovation and business expansion. We remain fully committed to realising the vision and mission of ‘Making Creative More Valuable’.

III. Our Business

As the industry landscape continues to evolve, Vobile with IP at our core, provides clients with comprehensive digital content rights identification and transaction solutions. Our services are primarily categorized as follows:

- Subscription Services
- Value-Added Services

Subscription Services

Our subscription-based business model provides long-term, stable service to top global content providers and platforms. Leveraging our independently developed core patented digital fingerprint and watermarking technologies for content, Vobile provides clients with copyright monitoring, piracy infringement identification, and copyright management services. Using both subscription-based and API-based models, Vobile identifies, monitors, and traces content across the entire internet, helping clients quickly detect unauthorized use. For platforms, these capabilities also support their review, distribution, and ecosystem governance.

Continuing the direction of “category expansion + deepening of key customer service” in 2024, the subscription service achieved substantial progress in multiple key areas in the first half of 2025: (1) Short dramas: We have reached a cooperation with a leading short drama platform. For thousands of new contents that are frequently updated every month, we support rapid online launch and large-scale scanning through API direct connection, providing integrated automated protection of “monitoring-forensics-data analysis” for its massive works. (2) Music: In the first half of the year, we completed the acquisition of PEX. We are currently in the integration stage. We have incorporated the approximately 120 million music asset fingerprints managed by PEX and approximately 23 billion audio fingerprints in the search library history into our system. We have significant technical advantages in areas such as speed change, pitch change and AI synthesis matching, and have strengthened the identification capabilities of audio content. (3) Animation: We continue to expand Japanese anime customers and support the protection and monetization of their works in the international market. (4) Platform customers: Establish API connections with

newspapers, broadcast, radio and television platforms to promote intelligent monitoring of content libraries and support operational decision-making. We also deepened partnerships with major Chinese UGC platforms, providing continuous monitoring and protection of platform-exclusive content like live event streams, concerts, and viral music clips.

As a result of the above, Vobile's subscription service revenue during the reporting period reached HK\$610 million, representing a YoY increase of approximately 11.8%, and accounted for around 41.9% of total revenue. With growing global attention to copyright protection, expanding coverage of diversified content, and increasing demand from rights platforms, our subscription services are expected to sustain their strong growth trajectory.

Value-added Services

In addition to strengthening our subscription services, we offer a wide range of monetization solutions to increase penetration and profitability of our clients' content, while generating revenue through a revenue-attribution model. Focusing on Rights ID and Channel ID, we manage client-licensed content on major global platforms like YouTube, Facebook, and Instagram based on digital rights identification. We continuously capture revenue from the distribution of diverse content, including derivative works. We also provide channel operations and value-added services to enhance content exposure and retention, and expand monetization. In the AI era, content formats are becoming more diverse, and the efficiency of creation and distribution is accelerating. This will further expand our coverage and efficiency in copyright protection and distribution operations, extend our technology products to more media and new applications, and support diverse transaction and distribution models.

During the reporting period, we continued the trend of upgrading contracts and expanding coverage with major content providers, driving the simultaneous improvement of the quality and scale of our value-added services. On social media platforms, we manages 4.29 million active assets (defined as the number of clips discovered and later authorized by clients that generate meaningful revenue during the period). Assets from leading clients steadily increased with the release of new films and the increasing authorization of existing content. Furthermore, AI-powered creative tools are driving the emergence of derivative works based on film and television IP (such as plot adaptations and remixes), providing us with new active assets and revenue streams. Regarding Channel IDs, the Group added 13 new media channels from major international film studios, contributing approximately 10.5 million new subscribers and generating approximately 9.5 billion views during the period. These developments have enabled us to further strengthen our rights management and channel operations capabilities across the "rights identification, distribution, and revenue attribution" chain, improving the monetization efficiency of individual assets and strengthening long-term partnerships with leading international clients.

During the reporting period, revenue from value-added services reached HK\$846 million, representing a YoY increase of 33.3% and accounting for approximately 58.1% of total revenue. The combination of abundant content supply driven by AI and the deepening collaboration with leading clients remains the core growth driver of our value-added business.

Sustained Strong Growth in Our Major Business Regions

During the reporting period, we maintained coordinated advancements in our two core markets, China and the United States. Leveraging our core capabilities in digital rights identification we tailored our approach to specific regional scenarios, driving high-quality business expansion. In the United States, our business maintained strong growth, and we continued to deepen our collaboration with leading global computing partner in the areas of rights identification and monetization for AI-generated content. We pioneered the use of DreamMaker and MAX platforms in the United States, and conducted collaborative AI research with the University of Florida. Our next-generation watermarking solution, showcased at the Consumer Electronics Show (CES) earlier this year, garnered industry attention and further enhanced our brand influence in the global market. During the reporting period, revenue from the United States was HK\$725 million, representing a year-on-year increase of approximately 26.8%, accounting for approximately 49.8% of total revenue.

In China, we actively participate in the development of digital cultural economy and digital trade platforms. In a “Copyright Protection and Trading Platform” project with a major client, we serve as the key technology and service provider for rights identification, providing data capabilities for the platform’s content distribution, tracking, trading, and distribution. We also provide global expansion services for delete short-form short drama clients, which have been available on platforms like YouTube for several months and have reached nearly 12 million viewers. During the reporting period, revenue in China was HK\$727 million, an increase of approximately 20.1% year-on-year, accounting for approximately 49.9% of total revenue.

In the Greater Bay Area of Guangdong, Hong Kong and Macau, we established a presence in the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) during the period, further contributing to the development of the regional IP ecosystem.

Research and Development

Vobile continues to build the technical infrastructure for digital content asset protection and transactions, striving to enhance the value distribution across the industry ecosystem. Leveraging its world-leading patented digital fingerprint and watermarking technologies and a 20-year history of operations, Vobile has established the world’s largest VDNA library authorized by content owners, significantly improving the accuracy and authority of rights identification for AI-generated content. Meanwhile, content owners, AI large model platforms, and content creators are gradually reaching a consensus on the compliant use of copyright. Major economies around the world are also accelerating the advancement and improvement of relevant legislation in data property rights and copyright systems adapted to the development of AI. By providing comprehensive copyright technology services, Vobile has become a key technical support provider for ensuring the effective implementation of industry regulations.

To capitalize on the ready-to-use nature of AI-generated content, Vobile has built a technical service system that ensures “rights identification at birth” through digital fingerprint and watermarking technology, combined with blockchain evidence storage and multi-platform tracking. Relying on a dynamic profit-attribution mechanism driven by smart contracts, we achieve real-time rights identification and efficient monetization of original and re-created AI content. During this period, we launched Vobile MAX, a digital content asset trading platform. This platform integrates Vobile’s core technologies and service systems, supporting the concurrent rights identification and trading of massive amounts of small and medium-sized content. By applying underlying technologies such as blockchain, the Vobile MAX platform provides a transparent and trusted infrastructure for the distribution of digital content assets and offers refined technical support for the distribution of content. We are also collaborating with third-party partners to introduce Web3 content asset trading, offering more flexible monetization options for individuals and creators.

To continuously address the rights identification challenges presented by industry development, we are continuously upgrading our core VDNA matching algorithm. Building on our existing AI algorithm, we have achieved further improvements in recognition efficiency and computing resource optimization, and have achieved significant results in the copyright services for short-form short dramas. We continue to strengthen our semantically based information understanding capabilities to adapt to increasingly frequent and fragmented demands, effectively improving the recognition efficiency of AI-generated, scaled content, and significantly reducing the time required for content rights identification. Furthermore, we are investing in specialized technologies and capabilities for different content distribution scenarios. In particular, we have expanded our real-time content recognition services for high-frequency scenarios like live streaming and short videos, further strengthening our content services on global social media platforms.

Within our technology ecosystem, Vobile has completed the acquisition of PEX, a leading audio content identification technology company, further completing our technology stack. By integrating PEX’s professional audio identification technology into Vobile’s core product line, we have significantly enhanced our technical architecture for real-time monitoring and rights identification of audio content, building a more comprehensive and refined copyright protection and value realization solution for content providers.

By building a technology ecosystem with world-leading AI universities and leading companies, we are actively deploying cutting-edge technologies and leading innovation. We are collaborating with the University of Florida in artificial intelligence research and development, achieving breakthroughs in AI content rights identification and monetization. We are also deepening our strategic partnership with Zhejiang University. Leveraging the “Global Digital Cultural Industry Research Center” jointly established with the School of Media and International Culture, we are focusing on empowering the cultural industry with technology. We are also jointly developing high-end talent training programs and attracting top global talent through university-enterprise collaboration. We have developed applications for digital rights identification and AI generation technologies based on NVIDIA Media2 ecosystem and integrated them into Vobile’s monetization service system. Our digital watermarking technology has been successfully validated and adapted

for the industry-leading AI content creation ecosystem, achieving a significant leap from technical validation to commercial deployment. As global technology leaders accelerate the development of AI computing infrastructure, we are further deepening our partnerships with key partners to accelerate the rollout of AI content copyright services in key business regions. We are well prepared for our upcoming full-scale commercial deployment, aiming to provide high-quality and efficient services for large-scale AI-generated content rights identification.

FINANCIAL REVIEW

Interim Condensed Consolidated Statement of Profit or Loss Highlights

	Six months ended 30 June	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue	1,456,315	1,180,634
Gross profit	642,730	504,117
Profit before tax	126,872	69,832
Profit for the period	101,242	46,322
Non-IFRS Adjusted Net Profit	120,850	64,261
Non-IFRS Adjusted EBITDA	<u>272,401</u>	<u>196,306</u>

Non-IFRS Adjusted Net Profit

Adjusted Net Profit is earnings before equity settled share compensation expenses, loss on derecognition of financial liabilities measured at amortised cost, fair value changes and other one-off expenses. This is not a IFRSs measure. Adjusted net profit is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. The Group has presented this item because the Group considers it an important supplemental measure of the Group's operational performance used by the Group's management as well as analysts or investors.

The following table sets forth a quantitative reconciliation of Adjusted Net Profit to its most directly comparable IFRS measurement and profit for the period attributable to owners of the Company.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	101,242	46,322
Add:		
Equity-settled share compensation expense	13,491	17,524
Loss on derecognition of financial liabilities measured at amortised cost	2,445	—
Transaction costs for acquisition of business	3,672	—
Fair value change on financial assets at FVTPL, net	<u>—</u>	<u>415</u>
Adjusted Net Profit	<u>120,850</u>	<u>64,261</u>

Non-IFRS Adjusted EBITDA

Adjusted EBITDA is earnings before finance costs, finance revenues, income taxes, depreciation and amortisation, equity settled share compensation expenses, loss on derecognition of financial liabilities measured at amortised cost, fair value changes and other one-off or non-cash expenses. This is not a IFRSs measure. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation. Our Group has presented this item because our Group considers it an important supplemental measure of our Group's operational performance used by our Group's management as well as analysts or investors.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement and profit before tax.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before tax	126,872	69,832
Add:		
Equity-settled share compensation expense	13,491	17,524
Finance costs	35,491	46,033
Depreciation and amortisation	88,159	65,244
Loss on derecognition of financial liabilities measured at amortised cost	2,445	—
Transaction costs for acquisition of business	3,672	—
Fair value change on financial assets at FVTPL, net	—	415
Impairment/(reversal of impairment) on trade receivables	4,163	(892)
Interest income	(1,892)	(1,850)
Adjusted EBITDA	<u>272,401</u>	<u>196,306</u>

Revenue

The following table shows our revenue breakdown by product:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Subscription services	609,902	545,431
Value-added services	846,413	635,203
Total revenue	<u>1,456,315</u>	<u>1,180,634</u>

Our revenue for the six months ended 30 June 2025 amounted to approximately HK\$1,456 million, representing an increase of approximately HK\$275 million, or approximately 23.4% as compared with the revenue for the six months ended 30 June 2024 of approximately HK\$1,181 million. Our business model has two revenue streams: subscription services and value-added services.

In the six months ended 30 June 2025, subscription services revenue was approximately HK\$610 million, representing an increase of approximately HK\$65 million, or approximately 11.8% as compared with the subscription services revenue for the six months ended 30 June 2024 of approximately HK\$545 million, and accounted for 41.9% (six months ended 30 June 2024: 46.2%) of our total revenues. Our subscription service mainly consists of content protection and channel management. Content protection service is based on the application of Vobile's VDNA (fingerprint) and watermark technologies. Channel management service is based on the partnership we have with distribution platforms, and we manage channels for our IP rights holder clients on these distribution platforms.

We offer a variety of value-added services that are designed to further realise IP rights values for our clients by providing additional IP revenue streams. During the six months ended 30 June 2025, value-added service revenue was approximately HK\$846 million, representing an increase of 33.3%, as compared with the value-added services revenue for the six months ended 30 June 2024 of HK\$635 million, and accounted for 58.1% (six months ended 30 June 2024: 53.8%) of total revenue. Our value-added services mainly consists of monetization on social media platforms and monetization services for video-on-demand platforms.

Our business model is driven by our ability to serve additional contents, and to help generate more revenue for IP rights holder clients. We believe that our future success is dependent on many factors, including our ability to expand our content base, retain customers while increasing content penetration, offer more monetization channels to increase revenue for IP rights holders, develop new solutions to meet industry and client needs, enhance our ecosystem and partner relationships, expand content verticals, expand geographic coverage, and build with a focus on maximising long-term value.

Gross profit and gross profit margin

Our gross profit for the six months ended 30 June 2025 amounted to approximately HK\$643 million, representing an increase of approximately HK\$139 million, or approximately 27.5% as compared with the six months ended 30 June 2024 of HK\$504 million.

Our gross profit margin increased from 42.7% for the six months ended 30 June 2024 to 44.1% for the six months ended 30 June 2025.

Selling and marketing expenses

Our selling and marketing expenses for the six months ended 30 June 2025 amounted to approximately HK\$193 million, representing an increase of approximately HK\$41 million, or approximately 26.6% as compared with the six months ended 30 June 2024 of HK\$152 million. The increase was mainly due to the increase of sales and marketing initiatives during the period.

Administrative expenses

Our administrative expenses for the six months ended 30 June 2025 amounted to approximately HK\$113 million, representing an increase of approximately HK\$19 million, or approximately 20.4% as compared with the six months ended 30 June 2024 of HK\$94 million.

Research and development expenses

Our research and development expenses for the six months ended 30 June 2025 amounted to approximately HK\$163 million, representing an increase of approximately HK\$20 million, or approximately 14.4% as compared with the six months ended 30 June 2024 of HK\$143 million. The increase was mainly due to the increase of research and development activities in the current period.

Finance costs

Finance costs mainly consisted of interest expenses on interest-bearing borrowings and convertible bonds of approximately HK\$35 million (six months ended 30 June 2024: HK\$46 million) and interest expense on lease liabilities.

Income tax expense

Our income tax expense mainly comprised of deferred tax expense resulted from the utilisation of tax losses in the United States and tax expense in the Mainland China.

Profit for the period

The profit for the six months ended 30 June 2025 amounted to approximately HK\$101 million, representing an increase of approximately HK\$55 million, or approximately 118.6% as compared to the profit for the six months ended 30 June 2024 of approximately HK\$46 million.

Basic earnings per share for the six months ended 30 June 2025 was approximately HK\$0.0442 (six month ended 30 June 2024: HK\$0.0184), and diluted earnings per share for the six months ended 30 June 2025 was approximately HK\$0.0412 (six month ended 30 June 2024: HK\$0.0171).

Interim dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

Adjusted EBITDA

The Adjusted EBITDA for the six months ended 30 June 2025 amounted to approximately HK\$272 million, representing an increase of approximately HK\$76 million, or approximately 39%, as compared to the Adjusted EBITDA for the six months ended 30 June 2024 of approximately HK\$196 million. The substantial increase in Adjusted EBITDA was mainly attributed by the significant increase in revenue of the Group for the six months ended 30 June 2025, contributed by (a) continued growth in our business in the US; and (b) the expansion of our business in the Mainland China, driven by strategic and commercial partnerships.

Interim condensed consolidated statement of financial position highlights

	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Total assets	4,837,965	3,916,882
Total liabilities	1,772,520	1,624,945
Net assets	3,065,445	2,291,937
Total equity	<u>3,065,445</u>	<u>2,291,937</u>

Goodwill

Our goodwill amounted to approximately HK\$1,250 million as at 30 June 2025, representing an increase of approximately HK\$103 million as compared to 31 December 2024 of HK\$1,147 million. The increase in goodwill was attributable by the acquisition of business from Pexeso, Inc. Goodwill is tested for impairment periodically and no impairment loss is considered necessary as at 30 June 2025.

Intangible assets

Our intangible assets amounted to approximately HK\$662 million as at 30 June 2025, representing an increase of approximately HK\$141 million as compared to 31 December 2024 of HK\$521 million. The increase was mainly attributable to the acquisition of business from Pexeso, Inc. and the additions of intangible assets during the period.

Interest-bearing borrowings

As at 30 June 2025, the Group's interest-bearing borrowings amounted to approximately HK\$778 million as compared to approximately HK\$790 million as of 31 December 2024. HK\$507 million is repayable within one year, HK\$133 million is repayable in the second year and HK\$106 million is repayable in the third to five years and HK\$32 million is repayable beyond five years.

Convertible bonds

On 24 May 2024, the Company issued convertible bonds in an aggregate principal amount of HK\$159,997,200. The convertible bonds have an initial conversion price of HK\$1.87 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 3% per annum, are payable semi-annually in arrears, and will mature in two years from the issue date.

On 9 November 2024, the Company issued zero coupon convertible bonds in an aggregate principal amount of HK\$78,000,000. The convertible bonds have an initial conversion price of HK\$1.95 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in three years from the issue date. On 29 November 2024, the bondholders converted convertible bonds in the principal amount of HK\$15,600,000 into 8,000,000 shares with conversion price of HK\$1.95 per share. The remaining HK\$54,400,000 convertible bonds were fully converted into ordinary shares of the Company during the six months ended 30 June 2025.

On 30 May 2025, the Company issued convertible bonds in an aggregate principal amount of HK\$155,800,000. The convertible bonds have an initial conversion price of HK\$3.8 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in three years from the issue date.

LIQUIDITY AND CAPITAL RESOURCES

Working capital

As of 30 June 2025, our cash and cash equivalents amounted to approximately HK\$578 million, representing an increase of HK\$358 million as compared to 31 December 2024 of approximately HK\$220 million. As at 30 June 2025, our current ratio, which is equivalent to the current assets divided by the current liabilities, was 1.84 as compared with 1.77 at 31 December 2024.

MATERIAL EVENTS AFTER THE REPORTING PERIOD

No significant events of the Group took place subsequent to June 30, 2025 and up to the date of this announcement.

The Board is pleased to announce the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025 together with the comparative figures for the six months ended 30 June 2024 as set out below.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
REVENUE	4	1,456,315	1,180,634
Cost of services provided		<u>(813,585)</u>	<u>(676,517)</u>
Gross profit		642,730	504,117
Other income and gains	4	13,232	6,844
Selling and marketing expenses		(193,005)	(152,462)
Administrative expenses		(112,716)	(93,646)
Research and development expenses		(163,441)	(142,902)
Finance costs	6	(35,491)	(46,033)
Other expenses		<u>(24,437)</u>	<u>(6,086)</u>
PROFIT BEFORE TAX	5	126,872	69,832
Income tax expense	7	<u>(25,630)</u>	<u>(23,510)</u>
PROFIT FOR THE PERIOD		<u>101,242</u>	<u>46,322</u>
Attributable to:			
Owners of the Company		102,344	41,474
Non-controlling interests		<u>(1,102)</u>	<u>4,848</u>
		<u>101,242</u>	<u>46,322</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic — for profit for the period (HK\$)	9	0.0442	0.0184
Diluted — for profit for the period (HK\$)	9	<u>0.0412</u>	<u>0.0171</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	<u>101,242</u>	<u>46,322</u>
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>73,863</u>	<u>(39,267)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<u>73,863</u>	<u>(39,267)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>175,105</u>	<u>7,055</u>
Attributable to:		
Owners of the Company	171,426	6,185
Non-controlling interests	<u>3,679</u>	<u>870</u>
	<u>175,105</u>	<u>7,055</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment		62,729	66,060
Investment properties	10	163,664	98,333
Right-of-use assets		24,733	25,791
Goodwill		1,249,882	1,146,561
Other intangible assets		661,739	521,034
Investment in associates		11,505	962
Financial assets at fair value through profit or loss	11	216,266	208,967
Deferred tax assets		22,033	35,294
Prepayments and deposits		2,069	1,679
Total non-current assets		2,414,620	2,104,681
CURRENT ASSETS			
Inventories		38,279	16,824
Trade receivables	12	1,473,875	1,402,212
Prepayments, deposits and other receivables		317,506	168,877
Tax recoverable		15,407	3,998
Cash and cash equivalents		578,278	220,290
Total current assets		2,423,345	1,812,201
CURRENT LIABILITIES			
Trade payables	13	409,020	466,713
Other payables and accruals		185,532	80,841
Interest-bearing borrowings	14	507,029	428,010
Lease liabilities		9,355	10,201
Tax payable		44,825	34,304
Convertible bonds	15	158,127	4,800
Total current liabilities		1,313,888	1,024,869
NET CURRENT ASSETS		1,109,457	787,332
TOTAL ASSETS LESS CURRENT LIABILITIES		3,524,077	2,892,013

		30 June 2025	31 December 2024
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Other payables		18,548	—
Convertible bonds	15	133,641	201,184
Interest-bearing borrowings	14	271,166	362,286
Lease liabilities		17,234	11,794
Deferred tax liabilities		18,043	24,812
Total non-current liabilities		458,632	600,076
Net assets		3,065,445	2,291,937
EQUITY			
Equity attributable to owners of the Company			
Share capital		484	450
Treasury shares		(4,123)	(6,536)
Equity component of convertible bonds		23,270	13,362
Reserves		2,848,518	2,091,044
		2,868,149	2,098,320
Non-controlling interests		197,296	193,617
Total equity		3,065,445	2,291,937

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 28 July 2016 under the Companies Law, Chapter 22 of the Cayman Islands. The registered address of the office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. During the period, the Group was principally engaged in providing Software as a Service (“SaaS”).

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable disclosure provisions of the Listing Rules. The accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are the same as those used in the preparation of the annual financial statements for the year ended 31 December 2024. The interim condensed consolidated financial information are presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

2.2 Changes In Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following revised standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The revised standard is not relevant to the preparation of the Group’s interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group had only one reportable operating segment, which was offering SaaS to help content owners protect their content from unauthorised use, measure the viewership of their content, and monetize their content during the period. Since this is the only reportable operating segment of the Group, no further operating segment analysis is presented.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Mainland China	726,565	604,797
United States	725,042	571,780
Other countries/regions	4,708	4,057
	<u>1,456,315</u>	<u>1,180,634</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Mainland China	1,375,116	1,224,455
United States	779,901	623,424
Other countries/regions	21,304	12,541
	<u>2,176,321</u>	<u>1,860,420</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue derived from sales to major customers, including sales to a group of entities which are known to be under common control with those customers, which accounted for 10% or more of the Group's revenue for the six months ended 30 June 2025 is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	200,011	180,929
Customer B	<u>160,804</u>	<u>134,623</u>

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the value of services rendered during the period.

An analysis of revenue and other income and gains is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>		
Rendering of services	<u>1,456,315</u>	<u>1,180,634</u>
Other income and gains		
Bank Interest income	1,892	1,850
Foreign exchange gains	2,593	1,493
Other	<u>8,747</u>	<u>3,501</u>
	<u>13,232</u>	<u>6,844</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of services provided	<u>813,585</u>	<u>676,517</u>
Employee benefit expense (including Directors' and chief executive's remuneration)		
Wages and salaries	99,257	96,287
Equity-settled share compensation expense	13,491	17,524
Directors' fee	1,797	1,798
Other benefits	5,698	5,982
Pension scheme contributions	<u>3,481</u>	<u>3,455</u>
	123,724	125,046
Depreciation of items of property, plant and equipment	12,275	7,860
Depreciation of right-of-use assets	7,648	6,693
Amortisation of intangible assets	68,236	50,691
Lease payments not included in the measurement of lease liabilities	930	376
Impairment/(Reversal of impairment) of trade receivables	4,163	(892)
Research and development expenses	163,441	142,902
Auditor's remuneration	2,400	2,271
Bank interest income (<i>Note 4</i>)	(1,892)	(1,850)
Loss on derecognition of financial liabilities measured at amortised cost	2,445	—
Changes in fair value of financial assets at FVTPL, net	—	415
Foreign exchange differences, net	<u>13,017</u>	<u>2,850</u>

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on borrowings (including convertible bonds)	34,991	45,689
Nominal interest on lease liabilities	<u>500</u>	<u>344</u>
	<u>35,491</u>	<u>46,033</u>

7. INCOME TAX EXPENSE

Income tax represents primarily United States, Mainland China, Hong Kong and Japan enterprise income tax charged on the Group. United States income tax applicable to the Group is charged at the federal tax rate of 21% (2024: 21%) for the six months ended 30 June 2025. The income tax applicable to profits arising in Hong Kong was provided at a statutory tax rate of 16.5% (2024: 16.5%) during the six months ended 30 June 2025. The income tax applicable to profits arising in Mainland China was provided at a statutory tax rate of 25% during the six months ended 30 June 2025 except for certain subsidiaries of the Group in Mainland China, that were accredited as “High and New Technology Enterprises” and entitled to a preferential rate is 15% in three years respectively. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The major components of income tax expense for the six months ended 30 June are as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current — United States		
Charge for the period	25	31
Current — Mainland China		
Charge for the period	16,414	16,032
Deferred tax expense	<u>9,191</u>	<u>7,447</u>
Total tax expense for the period	<u>25,630</u>	<u>23,510</u>

8. DIVIDEND

The Board does not recommend payment of any dividend for the period ended 30 June 2025 (2024: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 2,317,349,733 (2024: 2,252,048,052) in issue during the period.

The calculations of earnings per share attributable to owners of the Company for each of the six months ended 30 June 2025 and 2024 are based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculation	102,344	41,474
Interest on convertible bonds	<u>7,211</u>	<u>6,442</u>
Profit attributable to owners of the Company before interest on convertible bond	<u>109,555</u>	<u>47,916</u>
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	2,317,349,733	2,252,048,052
Effect of dilution — Weighted average number of ordinary shares		
Share options	168,070,000	169,515,604
Convertible bonds	<u>113,250,608</u>	<u>39,856,657</u>
Weighted average number of ordinary share options for the purpose of diluted earnings per share calculation	<u>2,598,670,341</u>	<u>2,461,420,313</u>

* Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the period of HK\$102,344,000 (2024: HK\$41,474,000) and the weighted average number of ordinary shares of 2,485,419,733 (2024: 2,421,563,656) in issue during the six months ended 30 June 2025 which excluded the interest on the convertible bonds of HK\$7,211,000 (2024: HK\$6,442,000) and the weighted average number of ordinary shares of 113,250,608 (2024: 39,856,657) from convertible bonds.

10. INVESTMENT PROPERTIES

	HK\$'000
	(Unaudited)
Carrying amount at 1 January 2025	98,333
Additions	61,266
Exchange realignment	<u>4,065</u>
Carrying amount at 30 June 2025	<u>163,664</u>

The Group's investment properties under construction amounting to HK\$163,664,000 which will be held under leasehold interests to earn rentals after completion are measured using the fair value model, and are classified and accounted for as investment properties.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Call option, at fair value	151,802	147,486
Other unlisted investments, at fair value	<u>64,464</u>	<u>61,481</u>
	<u>216,266</u>	<u>208,967</u>

The above equity investments were classified as financial assets at FVTPL as the Group has not elected to recognise the fair value gain or loss through other comprehensive income. The above unlisted investments were asset management schemes managed by non-bank financial institutions. The above call option is a derivative financial instrument which allow the Group, at the Group's discretion, to acquire the remaining 38.82% in Particle Technology at consideration of RMB542 million in steps in 2026.

12. TRADE RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	1,497,578	1,421,752
Impairment	<u>(23,703)</u>	<u>(19,540)</u>
	<u>1,473,875</u>	<u>1,402,212</u>

The Group's trading terms with its debtors are usually 10 to 180 days. The Group always recognises lifetime ECLs for all trade receivables and measures the lifetime ECL on a specific basis according to management's assessment of the recoverability of an individual receivable. Management considers the number of days that an individual receivable is outstanding, historical experience and forward-looking information to determine the recoverability of the trade receivable. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are unsecured and non-interest-bearing.

An ageing analysis of the current trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 1 year	1,418,961	1,345,764
1 to 2 years	51,639	53,558
2 to 3 years	<u>3,275</u>	<u>2,890</u>
	<u>1,473,875</u>	<u>1,402,212</u>

The movements in loss allowance for impairment of trade receivables are as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
At beginning of period/year	19,540	11,669
Impairment of trade receivables, net	<u>4,163</u>	<u>7,871</u>
At end of the period/year	<u>23,703</u>	<u>19,540</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2025

		Past due			
	Current	Less than 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	0.06%	1.59%	15.630%	72.48%	1.58%
Gross carrying amount (HK\$'000)	1,121,494	302,978	61,206	11,900	1,497,578
Expected credit losses (HK\$'000)	690	4,821	9,567	8,625	23,703

As at 31 December 2024

		Past due			
	Current	Less than 1 year	1 to 2 years	Over 2 years	Total
Expected credit loss rate	0.05%	1.67%	12.74%	70.75%	1.37%
Gross carrying amount (HK\$'000)	1,099,586	250,909	61,378	9,879	1,421,752
Expected credit losses (HK\$'000)	553	4,178	7,820	6,989	19,540

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Within 1 year	<u>409,020</u>	<u>466,713</u>

The trade payables are non-interest-bearing and are normally settled on within 1 year terms.

14. INTEREST-BEARING BORROWINGS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Current		
Lease liabilities	9,355	10,201
Bank loans — secured	188,527	302,441
Bank loans — unsecured	<u>318,502</u>	<u>125,569</u>
Subtotal — current	<u>516,384</u>	<u>438,211</u>
Convertible bonds	<u>158,127</u>	<u>4,800</u>
Total — current	<u>674,511</u>	<u>443,011</u>
Non-current		
Lease liabilities	17,234	11,794
Bank loans — secured	<u>271,166</u>	<u>362,286</u>
Subtotal — non-current	<u>288,400</u>	<u>374,080</u>
Convertible bonds	<u>133,641</u>	<u>201,184</u>
Total — non-current	<u>422,041</u>	<u>575,264</u>
Total	<u>1,096,552</u>	<u>1,018,275</u>

Bank and other borrowings carry a weighted average effective interest rate at 5.7% (2024: 7.4%) and will mature during the years from 2025 to 2034 (2024: from 2025 to 2034). Convertible bonds carry a weighted average effective interest rate at 6.6% (2024: 8.0%) and will mature during the years from 2026 to 2027 (2024: 2026 to 2027).

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	507,029	428,010
In the second year	132,824	84,679
In the third to five years, inclusive	105,812	242,491
Beyond five years	<u>32,530</u>	<u>35,116</u>
Subtotal	<u>778,195</u>	<u>790,296</u>
Other borrowings repayable:		
Within one year or on demand	167,482	15,001
In the second year	9,140	127,945
In the third to five years, inclusive	<u>141,735</u>	<u>85,033</u>
Subtotal	<u>318,357</u>	<u>227,979</u>
Total	<u>1,096,552</u>	<u>1,018,275</u>

The secured bank loans (including current and non-current) of HK\$459,693,000 are all secured by the shares, intellectual properties and bank balances of all material non-Mainland China subsidiaries of the Group.

15. CONVERTIBLE BONDS

On 24 May 2024, the Company issued convertible bonds in an aggregate principal amount of HK\$159,997,200. The convertible bonds have an initial conversion price of HK\$1.87 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds bear simple interest on their outstanding principal amount at the rate of 3% per annum, are payable semi-annually in arrears, and will mature in two years from the issue date. The annual effective interest rate of the debt component is 7.6%.

On 9 November 2024, the Company issued zero coupon convertible bonds in an aggregate principal amount of HK\$78,000,000. The convertible bonds have an initial conversion price of HK\$1.95 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in three years from the issue date. The annual effective interest rate of the debt component is 6.9%. On 29 November 2024, the bondholders converted convertible bonds in the principal amount of HK\$15,600,000 into 8,000,000 shares with conversion price of HK\$1.95 per share. The convertible bonds were fully converted into ordinary shares of the Company during the six months ended 30 June 2025.

On 30 May 2025, the Company issued convertible bonds in an aggregate principal amount of HK\$155,800,000. The convertible bonds have an initial conversion price of HK\$3.8 per Share. The convertible bonds are convertible into shares of the Company. The convertible bonds do not bear any interest and will mature in three years from the issue date. The annual effective interest rate of the debt component is 5.4%.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

The convertible bonds issued have been split into the liability and equity components as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Liability component at 1 January	205,984	107,680
Nominal value of convertible bonds issued during the period/year	155,800	237,997
Equity component	(18,679)	(15,540)
Direct transaction costs attributable to the liability component	(4,262)	—
Liability component at the issuance date	338,843	330,137
Interest expense	7,211	18,139
Interest paid	(1,917)	(10,559)
Repayment	—	(118,503)
Conversion of convertible bonds	(53,081)	(12,839)
Exchange realignment	712	(391)
Liability component at end of period/year	291,768	205,984
Portion classified as current liabilities	(158,127)	(4,800)
Non-current portion	<u>133,641</u>	<u>201,184</u>

16. BUSINESS COMBINATION

On 4 April 2025, the Group completed the acquisition of business of Pexeso, Inc. (the “Acquired Business”). Pexeso, Inc. is a technology service provider of audio content identification services. The consideration for the acquisition was in the form of cash amounted to HK\$157 million, with HK\$71 million during the six months ended 30 June 2025 and HK\$86 million payable within one to two years as at 30 June 2025.

The fair values of the identifiable assets and liabilities of the Acquired Business as at the date of acquisition were as follows:

	Fair value recognised on acquisition <i>HK\$'000</i>
Property, plant and equipment	91
Intangible assets	79,332
Trade receivables	1,830
Cash and bank balances	90
Other payables and accruals	<u>(4,827)</u>
Total identifiable net assets at fair value	76,516
Goodwill on acquisition	<u>80,913</u>
	<u><u>157,429</u></u>
Satisfied by cash	71,539
Satisfied by consideration payable	<u>85,890</u>
	<u><u>157,429</u></u>

Since the acquisition, the Acquired Business contributed HK\$6,434,000 to the Group's revenue and incurred loss of HK\$7,595,000 for the six months ended 30 June 2025. Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period would have been HK\$1,461,820,000 and HK\$86,656,000, respectively.

An analysis of the cash flows in respect of the acquisition of the Acquired Business is as follows:

	Fair value recognised on acquisition <i>HK\$'000</i>
Cash consideration	(71,539)
Cash and bank balances acquired	<u>90</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	(71,449)
Transaction cost of the acquisition included in cash flows from operating activities for the six months ended 30 June 2025	<u>(3,672)</u>
	<u><u>(75,121)</u></u>

OTHER INFORMATION

Significant investments, acquisitions and disposals

During the six months ended 30 June 2025, except for the acquisition of the Acquired Business, we did not have any other significant investment and any material acquisition or disposal.

Capital expenditures

Our capital expenditures were primarily for expenditures for purchase of property, plant and equipment, investment properties and intangible assets. The amount of our capital expenditures for the six months ended 30 June 2025 was approximately HK\$181 million.

Contingent liabilities, off balance sheet commitments and arrangements and pledge of assets

As of 30 June 2025 and the date of this announcement, we did not have (i) any material contingent liabilities or guarantees, (ii) any liabilities under acceptance trade receivables or acceptable credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantee material covenants, or other material contingent liabilities, or (iii) any material off-balance sheet arrangements.

Foreign exchange exposure

In light of the nature of our business, we are exposed to various foreign currencies, among which, USD and RMB are mostly used apart from HK\$. To minimise the impact of foreign currency rate volatility, we monitor foreign currency risk at operational level closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Company did not use any financial instruments for hedging purposes for the period.

Gearing ratio

Our Group monitors capital using gearing ratio, which is net external debt divided by the capital (equity attributable to owners of the Company) plus net debt. Net debt includes convertible bonds and interest-bearing borrowings, less cash and cash equivalents. As of 30 June 2025, our gearing ratio, calculated as net debt divided by the equity attributable to owners of the Company plus net debt, was 15% as compared with 27% as at 31 December 2024.

Use of proceeds from issue of convertible bonds and placement of shares

On 9 November 2024, the Company issued convertible bonds in the aggregate principal amount of HK\$78 million, raised net proceeds of HK\$74 million. As at 30 June 2025, the Company has fully utilised the net proceeds as intended. The table below sets out the details of actual usage of the net proceeds as at 30 June 2025.

Intended use of proceeds	Initial intended allocation (HK\$ million)	Actual amount utilised during the six months ended 30 June 2025 (HK\$ million)	Unutilised net proceeds as at 30 June 2025 (HK\$ million)	Expected timeline of full utilisation
Investment	56	56	—	N/A
General working capital	<u>18</u>	<u>18</u>	<u>—</u>	N/A
	<u>74</u>	<u>74</u>	<u>—</u>	

On 30 May 2025, the Company issued convertible bonds in the aggregate principal amount of HK\$156 million, raised net proceeds of HK\$152 million. As at 30 June 2025, the Company has utilised HK\$90 million of the net proceeds as intended. The table below sets out the details of actual usage of the net proceeds as at 30 June 2025.

Intended use of proceeds	Initial intended allocation (HK\$ million)	Actual amount utilised during the six months ended 30 June 2025 (HK\$ million)	Unutilised net proceeds as at 30 June 2025 (HK\$ million)	Expected timeline of full utilisation
Development and investment of artificial intelligence generated content related business	114	52	62	Before the end of 2026
General working capital	<u>38</u>	<u>38</u>	<u>—</u>	Before the end of 2026
	<u>152</u>	<u>90</u>	<u>62</u>	

On 3 June 2025, the Company completed the placement of 138,000,000 Shares (the “Placing Shares”) and raised net proceeds of approximately HK\$513 million (the “Placing”). The Placing Shares were allotted and issued to no less than six placees (“Placees”) at the subscription price of HK\$3.78 per Placing Share. As at 30 June 2025, the Company has utilised HK\$111 million of the net proceeds as intended. The table below sets out the details of actual usage of the net proceeds as at 30 June 2025.

Intended use of proceeds	Initial intended allocation (HK\$ million)	Actual amount utilised during the six months ended 30 June 2025 (HK\$ million)	Unutilised net proceeds as at 30 June 2025 (HK\$ million)	Expected timeline of full utilisation
Development and investment of artificial intelligence generated content related business	334	—	334	Before the end of 2027
Repayment of interest-bearing borrowings	51	51	—	N/A
General working capital	<u>128</u>	<u>60</u>	<u>68</u>	Before the end of 2026
	<u>513</u>	<u>111</u>	<u>402</u>	

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, we employed a total of 542 staff (as at 31 December 2024: 535 staff). Salaries, bonuses and benefits are determined with reference to market terms and performance, qualifications and experience of each individual employee, and are subject to review from time to time.

The remuneration of the Directors is reviewed by the Remuneration Committee and approved by the Board. The relevant Director’s experience, duties and responsibilities, time commitment, the Company’s performance and the prevailing market conditions are taken into consideration in determining the emolument of the Directors.

The total remuneration cost incurred by the Group for the six months ended 30 June 2025 was approximately HK\$124 million (for the six months ended 30 June 2024: HK\$125 million).

The Company also adopted a Share Option Scheme and a Share Award Plan.

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to formulate its business strategies and policies, and to enhance its transparency and accountability. During the six months ended 30 June 2025, the Company has applied the principles as set out in Part 2 of the CG Code which are applicable to the Company.

In the opinion of the Directors, during the six months ended 30 June 2025, the Company has complied with all applicable code provisions as set out in the CG Code, save and except for code provision C.2.1. Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yangbin Bernard WANG is both our Chairman and Chief Executive Officer, and is responsible for the overall management of our Group and directing the strategic development and business plans of our Group. We believe Mr. Wang is instrumental to our growth and business expansion since our establishment in 2005. Our Board considers that the roles of chairman and chief executive officer being vested in the same person is beneficial to the business prospects, management and overall strategic direction of our Group by ensuring consistent leadership within our Group and facilitating more effective and efficient overall strategic planning and decision-making for our Group. In addition, the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information. In addition, under the supervision of the Board which is comprised of two executive Directors, two non-executive Director and three independent non-executive Directors as at the date of this announcement, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. After considering all the corporate governance measures that have been taken, the Board considers that the balance of power and authority will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. Thus, the Company does not segregate the roles of Chairman and Chief Executive Officer.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. The Company has also set guidelines, at least as strict as the Model Code, on transactions of the Company's securities for relevant employees (as defined in the Listing Rules).

The Company has made specific inquiries to all Directors about their compliance with the Model Code, and they all confirmed that they complied with the standards specified in the Model Code during the six months ended 30 June 2025. The Company has made specific inquiries of relevant employees about their compliance with the guidelines on transactions of the Company's securities, without noticing any violation of the guidelines.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares).

REVIEW OF INTERIM RESULTS

The Audit Committee comprises three independent non-executive Directors, namely, Mr. KWAN Ngai Kit, Mr. Alfred Tsai CHU and Mr. Charles Eric EESLEY. The chairman of the Audit Committee is Mr. KWAN Ngai Kit. Mr. KWAN Ngai Kit has appropriate professional qualifications and experience in financial matters. The primary duties of the audit committee are to review, supervise, and assist our Board in providing an independent view of, our financial reporting processes, and internal control and risk management systems, as well as to oversee the audit process, review our annual and interim financial statements, provide advice and comments to the Board on matters related to corporate governance, and perform other duties and responsibilities as assigned by our Board from time to time.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025 and was of the opinion that the preparation of such interim results had been prepared in accordance with the relevant accounting standards and that adequate disclosures have been made in accordance with the requirements of the Listing Rules.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.vobilegroup.com). The Company will publish the 2025 interim report containing all the information as required by the Listing Rules and make available on the above websites in due course.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AIGC”	artificial intelligence generated content
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CG Code”	the corporate governance code as set out in Appendix C1 to the Listing Rules
“Company”	Vobile Group Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange

“Directors”	the directors of the Company
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“FVTPL”	fair value through profit or loss
“GenAI”	generative artificial intelligence
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAS”	International Accounting Standards
“IFRS”	International Financial Reporting Standards
“IP”	Intellectual property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Wang”	Mr. Yangbin Bernard WANG
“Particle Technology”	Hangzhou Particle Culture Technology Co., Ltd. and its subsidiaries and Hangzhou New Particle Culture Technology Co., Ltd. and its subsidiaries
“PRC” or “China”	the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“Share Option Scheme”	the share option scheme of the Company adopted on 8 December 2017
“RMB” or “Renminbi”	the lawful currency of the PRC
“SaaS”	Software as a Service
“Share(s)”	ordinary share(s) of US\$0.000025 each in the share capital of the Company
“Share Award Plan”	The share award plan adopted by the Company on 6 May 2019, as amended from time to time

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“USD” or “US\$”

the lawful currency of the United States

By Order of the Board
Vobile Group Limited
Yangbin Bernard Wang
Chairman

Hong Kong, 28 August 2025

As at the date of this announcement, the board of directors of the Company comprises Mr. Yangbin Bernard WANG and Mr. WONG Wai Kwan as executive directors; Ms. CHAN, Laverna Jun Lin and Mr. TANG Yi Hoi Hermes as non-executive directors; and Mr. Alfred Tsai CHU, Mr. Charles Eric EESLEY and Mr. KWAN Ngai Kit as independent non-executive directors.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a lot of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.