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TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED

致豐工業電子集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1710)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Trio Industrial Electronics Group Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with comparative figures for the six months ended 30 June 2024 as follows:

FINANCIAL HIGHLIGHTS:

- Revenue for the six months ended 30 June 2025 increased by 4.0% to approximately HK\$404.7 million as compared with the corresponding period of 2024.
- Gross profit for the six months ended 30 June 2025 increased by 12.5% to approximately HK\$76.1 million, while gross profit margin increased by 1.4 percentage points to 18.8% as compared with the corresponding period of 2024.
- Loss before income tax for the six months ended 30 June 2025 decreased by 40.4% to approximately HK\$16.9 million as compared with the corresponding period of 2024.
- Loss attributable to owners of the Company for the six months ended 30 June 2025 decreased by 42.9% to approximately HK\$14.8 million as compared with the corresponding period of 2024.

INTERIM DIVIDEND:

- The Board has resolved to declare an interim dividend of HK0.6 cent per ordinary share for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited) (Restated, note 16)
Revenue	4	404,711	389,249
Cost of sales	5	(328,647)	(321,629)
Gross profit		76,064	67,620
Other income	4	2,098	1,272
Selling and distribution expenses	5	(9,716)	(8,320)
Administrative expenses	5	(80,712)	(89,657)
Other operating (expense)/income, net	6	(281)	4,880
Loss from operations		(12,547)	(24,205)
Finance income	7	1,251	1,127
Finance expenses	7	(5,614)	(5,295)
Loss before income tax		(16,910)	(28,373)
Income tax credit	8	2,153	2,521
Loss for the period attributable to owners of the Company		(14,757)	(25,852)
Other comprehensive income/(expense) for the period, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		5,056	(1,032)
Total comprehensive expense for the period attributable to owners of the Company		(9,701)	(26,884)
Loss per share			
– Basic and diluted (HK cents)	9	(1.48)	(2.59)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Assets			
Non-current assets			
Property, plant and equipment		84,472	89,749
Right-of-use assets		109,421	140,763
Prepayments and deposits		6,413	6,276
Financial assets at fair value through profit or loss		2,004	1,942
Intangible assets		–	1,465
Deferred tax assets		4,717	3,414
		<u>207,027</u>	<u>243,609</u>
Current assets			
Inventories		185,208	139,754
Trade and other receivables	11	250,643	255,810
Prepayments and deposits		11,669	14,681
Tax recoverable		5,410	5,410
Financial assets at fair value through profit or loss		1,898	1,890
Restricted bank deposits		15,463	15,392
Cash and cash equivalents		88,115	141,144
		<u>558,406</u>	<u>574,081</u>
Current liabilities			
Trade and other payables	12	176,188	194,434
Contract liabilities		17,621	20,534
Borrowings	13	44,360	21,250
Lease liabilities		10,617	10,915
Current income tax liabilities		6,838	9,734
		<u>255,624</u>	<u>256,867</u>
Net current assets		<u>302,782</u>	<u>317,214</u>
Total assets less current liabilities		<u>509,809</u>	<u>560,823</u>
Non-current liabilities			
Lease liabilities		111,362	140,063
Deferred tax liabilities		2,925	3,223
		<u>114,287</u>	<u>143,286</u>
Net assets		<u>395,522</u>	<u>417,537</u>
Equity			
Share capital	14	281,507	281,507
Reserves		114,015	136,030
Total equity		<u>395,522</u>	<u>417,537</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Trio Industrial Electronics Group Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal place of business and registered office of the Company is at Block J, 5/F., Phase II, Kaiser Estate, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the manufacturing and sales of electronic products. The immediate holding company of the Company is Trio Industrial Electronics Holding Limited, a company incorporated in the British Virgin Islands with limited liability.

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 (“**Interim Financial Information**”) is presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

2 BASIS OF PREPARATION

The Interim Financial Information, which does not constitute the Group’s statutory financial statements, has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and in compliance with the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the year ended 31 December 2024 that is included in the Interim Financial Information as comparative information does not constitute the Group’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622, the laws of Hong Kong) (the “**Companies Ordinance**”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

Except as described below, the accounting policies used in the preparation of the Interim Financial Information are consistent with those set out in the annual report for the year ended 31 December 2024.

Amended standard effective in 2025 which is relevant to the Group’s operations

The Group has adopted the following amended standard which is effective for the financial period beginning on or after 1 January 2025 and relevant to the Group:

- Amendments to HKAS 21 and HKFRS 1 on Lack of Exchangeability

The adoption listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretation have been published that are not mandatory for the annual period beginning on 1 January 2025 and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods except for the following:

HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

3 SEGMENT INFORMATION

Operating segments are determined based on the information reviewed by the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board.

Operating segments are reported in the manner consistent with the internal reporting provided to the CODM. The Group is subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole. The Board considers the performance assessment of the Group should be based on the loss before income tax of the Group as a whole and regards the Group as a single operating segment and reviews internal reporting accordingly. Therefore, the Board considers there to be only one operating segment under the requirements of HKFRS 8 “Operating Segments”.

The Group provides manufacturing and sales of electronic products, which are carried out internationally, through the production complexes located in the People's Republic of China (the “PRC”), Thailand, Ireland and the United Kingdom (the “UK”) during the six months ended 30 June 2025 and 2024.

Information about major customers

External customers contribute over 10% of total revenue of the Group for the six months ended 30 June are as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A	150,644	50,120
Customer B	53,272	96,393
Customer C	50,205	60,447
Customer D	N/A	60,294

Geographical information

The table below summarises the geographical revenue segment based on location of customers for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Europe	342,433	335,560
North America	30,354	30,434
The PRC	20,686	10,640
South-east Asia	3,673	3,912
Hong Kong	2,527	2,166
Others	5,038	6,537
Total	404,711	389,249

During the six months ended 30 June 2025 and 2024, the majority of revenue was derived from customers in Europe (mainly the UK, Greece, Switzerland, Ireland, Denmark and Germany), while the remaining revenue was derived from customers in the United States of America (the “US”), the PRC, South-east Asia, Hong Kong and others (mainly Australia and Brazil).

In relation to non-current assets held by the Group (primarily represented by property, plant and equipment and right-of-use assets), land and buildings with carrying values as at 30 June 2025 of HK\$18,803,000 (31 December 2024: HK\$19,340,000) are located in Hong Kong. Other property, plant and equipment and right-of-use assets are primarily located in the PRC and Thailand.

4 REVENUE AND OTHER INCOME

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue			
Sales of goods	(a)	404,711	389,249
Other income			
Commission income		51	50
Government grants		365	6
Investment income		58	71
Rental income		10	15
Scrap material sales income		462	872
Handling fee income		567	15
Gain on lease modification		264	1
Sundry income		321	242
		2,098	1,272

Note:

- (a) Revenue from the sale of goods is recognised at a point in time.

5 EXPENSES BY NATURE

Expenses included in “Cost of sales”, “Selling and distribution expenses”, and “Administrative expenses” are analysed as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Cost of inventories	279,622	266,751
Provision for/(reversal of) impairment loss on inventories	731	(70)
Obsolete inventories written off	59	92
Employee benefit expenses (including Directors' remuneration)	80,857	98,965
Auditors' remuneration	1,782	1,631
Depreciation for property, plant and equipment	8,298	8,561
Depreciation for right-of-use assets	7,563	7,055
Expenses related to short-term leases	560	576
Freight and transportation expenses	6,032	5,304
Utilities expenses	3,266	3,791

6 OTHER OPERATING (EXPENSE)/INCOME, NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Gain on foreign exchange, net	2,906	3,676
(Provision for)/reversal of impairment loss on trade receivables	(1,366)	1,146
Fair value gain on financial assets at fair value through profit or loss	70	60
Loss on disposal of property, plant and equipment	(144)	—
Impairment loss on intangible assets	(1,791)	—
Others	44	(2)
	(281)	4,880

7 FINANCE INCOME AND EXPENSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance income		
Bank interest income	1,251	1,127
Finance expenses		
Interest on bank borrowings	(520)	(615)
Interest on lease liabilities	(3,296)	(2,374)
Bank charges	(1,798)	(2,306)
	(5,614)	(5,295)
Finance expenses, net	(4,363)	(4,168)

8 INCOME TAX CREDIT

The amount of taxation in the interim condensed consolidated statement of comprehensive income represents:

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current income tax:			
– Hong Kong	(a)	–	–
– The PRC		–	–
Over provision in prior year		238	–
Deferred tax credit		1,915	2,521
Income tax credit		<u>2,153</u>	<u>2,521</u>

Note:

- (a) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of estimated assessable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. The Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits for the qualifying group entity and at 16.5% on the estimated assessable profits above HK\$2 million for the six months ended 30 June 2025 and 2024.

9 LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated on the loss attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Loss attributable to owners of the Company (HK\$'000)	(14,757)	(25,852)
Weighted average number of ordinary shares in issue (thousand shares)	<u>1,000,000</u>	<u>1,000,000</u>
Basic loss per share (HK cents)	<u>(1.48)</u>	<u>(2.59)</u>

(b) Diluted loss per share

Diluted loss per share is the same as basic loss per share due to the absence of dilutive potential ordinary shares for the six months ended 30 June 2025 and 2024.

10 DIVIDENDS

	<i>Notes</i>	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Dividend recognised as distribution during the period			
Final dividend for 2024 of HK1.2 cents (final dividend for 2023: nil) per ordinary share	(a)	12,000	–
Dividend declared after the end of the interim reporting period			
Interim dividend of HK0.6 cent (interim dividend for 2024: nil) per ordinary share	(b)	6,000	–

Notes:

- (a) A final dividend in respect of the year ended 31 December 2024 of HK1.2 cents per ordinary share, amounting to a total dividend of HK\$12,000,000, was declared and recognised as distribution in the six months ended 30 June 2025.
- (b) Since the interim dividend of HK0.6 cent per ordinary share is declared after the reporting period, such dividend has not been recognised as liability in the Interim Financial Information.

11 TRADE AND OTHER RECEIVABLES

	<i>Note</i>	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Trade receivables	(a)	248,682	251,380
Less: Provision for impairment loss on trade receivables		(3,680)	(2,290)
Trade receivables – net		245,002	249,090
Other receivables		5,641	6,720
		250,643	255,810

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Group has not transferred substantially all of the risks and rewards of ownership through late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its condensed consolidated statement of financial position. The amounts repayable under the factoring agreement are presented as secured bank borrowings. The Group's accounting policy is to interpret "held to collect" on the basis of the accounting treatment and the continued recognition of the receivables in the condensed consolidated statement of financial position. The Group therefore considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

Note:

(a) Trade receivables

Trade receivables arise from trading of electronic products. The payment terms of trade receivables granted to third party customers generally range from full payment before shipment to 75 days after the end of month. As at 30 June 2025 and 31 December 2024, the aging analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Below 30 days	106,898	81,833
Between 31 and 60 days	47,947	99,327
Over 60 days	93,837	70,220
	<u>248,682</u>	<u>251,380</u>

12 TRADE AND OTHER PAYABLES

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
	<i>Note</i>	
Trade payables	(a) 138,883	174,487
Accruals	20,844	18,044
Other payables and provisions	16,461	1,903
	<u>176,188</u>	<u>194,434</u>

Note:

(a) Aging analysis of trade payables

The credit terms of trade payables granted by the vendors generally range from full payment before shipment to net 180 days. As at 30 June 2025 and 31 December 2024, the aging analysis of trade payables based on invoice date is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Below 30 days	51,762	36,686
Between 31 and 60 days	43,377	80,452
Over 60 days	43,744	57,349
	<u>138,883</u>	<u>174,487</u>

13 BORROWINGS

		As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Secured bank borrowings	(a)	<u>44,360</u>	<u>21,250</u>

The Group's borrowings were repayable as follows (without taking into account the repayment on demand clause as detailed in note (a) below):

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Within 1 year	38,610	10,333
Between 1 and 2 years	5,750	8,250
Between 2 and 5 years	—	2,667
	<u>44,360</u>	<u>21,250</u>

Notes:

(a) Repayment on demand clause

As these borrowings include a clause that gives the lender the unconditional right to call the borrowings at any times (“**Repayment on Demand Clause**”), according to HK Interpretation 5 “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause”, these borrowings were classified by the Group as current liabilities.

(b) Pledge of assets

As at 30 June 2025 and 31 December 2024, the total borrowings were secured by certain assets and their carrying amounts are shown below:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Property, plant and equipment	18,803	19,340
Restricted bank deposits	15,463	15,392
Trade receivables	28,277	—
	<u>62,543</u>	<u>34,732</u>

The borrowings were also secured by the an indemnity for an unlimited amount executed by the Company.

(c) **Interest rate**

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of each reporting period are as follows:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Variable rate	<u>44,360</u>	<u>21,250</u>

The fair values of borrowings approximates their carrying amounts, as the impact of discounting is not significant.

The effective interest rate of bank borrowings is 4.55% per annum for the period ended 30 June 2025 (31 December 2024: 6.23% per annum).

14 SHARE CAPITAL

	As at 30 June 2025 (Unaudited)		As at 31 December 2024 (Audited)	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Issued and fully paid				
At beginning and the end of period/year	<u>1,000,000,000</u>	<u>281,507</u>	<u>1,000,000,000</u>	<u>281,507</u>

Ordinary shares are classified as equity.

15 COMMITMENTS

(a) **Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Property, plant and equipment	<u>886</u>	<u>139</u>

(b) Lease commitments – as a lessee

The Group has recognised right-of-use assets and lease liabilities for all leases, except for short-term leases with original lease term of less than one year.

The total future minimum lease payments under non-cancellable leases for which no lease liabilities have been recognised by the Group as at 30 June 2025 and 31 December 2024 were as follows:

	As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
Within one year	197	362

16 COMPARATIVE FIGURES

The following comparative figures in the condensed consolidated statement of comprehensive income have been reclassified to conform with the current period's presentation of the Group:

- Reclassification of reversal of impairment loss on inventories in the amount of HK\$70,000 from "Other operating (expense)/income, net" to "Cost of sales" to fairly present its nature.
- Reclassification of obsolete inventories written off in the amount of HK\$92,000 from "Other operating (expense)/income, net" to "Cost of sales" to fairly present its nature.

In the opinion of the Board, the reclassifications made to the comparative figures has no significant impact on the Group's condensed consolidated statement of comprehensive income for the six months ended 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group remains a leading electronics manufacturing services (“EMS”) provider specialising in the manufacturing and sale of customised industrial electronic components and products, including electro-mechanical assemblies, switch-mode power supplies, smart chargers and smart vending systems. The Group’s solutions serve a diversified customer base across gaming and entertainment, medical and healthcare, telecommunications, commercial freight, security control and the fast-growing new energy sector. With headquarters in Hong Kong and production facilities in the People’s Republic of China (the “PRC”), Thailand, the United Kingdom (the “UK”) and Ireland, the Group has established a resilient global operating footprint.

During the six months ended 30 June 2025, Europe and North America remained the Group’s principal markets. Operating conditions in these regions were shaped by relatively high interest rates, ongoing geopolitical tensions, and the implementation of revised U.S. tariff policies announced in April 2025. In this environment, some customers adopted a cautious stance, reducing orders to manage inventories more tightly, while others accelerated expansion to capture emerging opportunities. The divergence in customer behaviour resulted in fluctuations in demand, impacting both order visibility and the overall composition of the Group’s product mix. Amid these dynamics, revenue for the six months ended 30 June 2025 increased by approximately 4.0% to approximately HK\$404.7 million (during the six months ended 30 June 2024: approximately HK\$389.2 million). The growth was primarily driven by higher shipments of smart vending systems, partially offset by softer demand for smart chargers, switch-mode power supplies and electro-mechanical products in the Group’s core Western markets.

To enhance supply chain resilience and to better serve customers closer to end markets, the Group continued to optimise its manufacturing network. A new factory in the UK commenced operations during the six months ended 30 June 2025, further strengthening capacity, shortening lead times for European customers and diversifying production risk alongside the Group’s existing facilities in the PRC, Thailand and Ireland.

The Group continued its strategic diversification into the new energy sector under the “Deltrix” brand, expanding its portfolio from smart electric vehicle (“EV”) chargers to include smart energy storage and smart digital advertising kiosks. The new energy sector represents a high-growth opportunity, driven by global decarbonisation and energy-efficiency agendas and the shift towards new energy solutions. In alignment with the PRC’s “Belt and Road” initiative, the Group advanced its Central Asia platform in Kazakhstan. Three model EV charging stations in Almaty served as demonstration hubs integrating smart Deltrix EV charging infrastructure, smart energy storage, smart car wash facilities and smart digital advertising kiosks – forming a comprehensive EV charging ecosystem. The integrated advertising platform is designed to support PRC enterprises in building brand presence and customer reach across Central Asia.

While these strategic investments in capacity and infrastructure increased administrative and depreciation expenses, the Group continued to tighten cost discipline and optimise its staffing and labour structures. Through disciplined cost control and operational efficiencies, loss attributable to owners of the Company for the six months ended 30 June 2025 reduced to approximately HK\$14.8 million as compared with the loss of approximately HK\$25.9 million for the six months ended 30 June 2024.

FINANCIAL REVIEW

Revenue

The following table summarises the amount of revenue generated and as a percentage of total revenue from each product category for the six months ended 30 June 2025 and 2024, respectively:

	Six months ended 30 June					
	2025		2024		Changes	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)		(Unaudited)		(Unaudited)	
Smart vending systems	151,082	37.3	50,133	12.9	100,949	+201.4
Electro-mechanical products	140,136	34.6	147,332	37.8	(7,196)	-4.9
Switch-mode power supplies	56,422	13.9	90,644	23.3	(34,222)	-37.8
Smart chargers	54,024	13.4	98,031	25.2	(44,007)	-44.9
Others ⁽¹⁾	3,047	0.8	3,109	0.8	(62)	-2.0
Total	<u>404,711</u>	<u>100.0</u>	<u>389,249</u>	<u>100.0</u>	<u>15,462</u>	<u>+4.0</u>

Note:

- (1) Others include automatic testing equipment, power switch gear boards, catering equipment control boards and smart EV chargers.

Revenue for the six months ended 30 June 2025 increased by approximately HK\$15.5 million compared to the same period in 2024. This growth was primarily driven by higher sales of smart vending systems, reflecting increased market demand. However, the increase was partially offset by the drop in sales of smart chargers, switch-mode power supplies, electro-mechanical products and other products, as discussed in the section headed “Business Review”.

The table below summarises the geographical revenue segment based on location of customers for six months ended 30 June 2025 and 2024, respectively:

	Six months ended 30 June					
	2025		2024		Changes	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	(Unaudited)		(Unaudited)		(Unaudited)	
Europe ⁽¹⁾	342,433	84.6	335,560	86.2	6,873	+2.0
North America ⁽²⁾	30,354	7.5	30,434	7.8	(80)	-0.3
The PRC (including Hong Kong)	23,213	5.7	12,806	3.3	10,407	+81.3
South-east Asia ⁽³⁾	3,673	0.9	3,912	1.0	(239)	-6.1
Others ⁽⁴⁾	5,038	1.3	6,537	1.7	(1,499)	-22.9
Total	<u>404,711</u>	<u>100.0</u>	<u>389,249</u>	<u>100.0</u>	<u>15,462</u>	<u>+4.0</u>

Notes:

- (1) Europe includes Austria, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Malta, the Netherlands, Spain, Sweden, Switzerland, and the UK.
- (2) North America includes the US.
- (3) South-east Asia includes Malaysia, Philippines, Singapore, Thailand and Vietnam.
- (4) Others include Australia, Brazil, Israel, Japan, Taiwan and Kazakhstan.

Europe and North America continued to be the major markets for the Group, accounting for approximately 92.1% and 94.0% of the Group's total revenue for the six months ended 30 June 2025 and 2024, respectively. During the six months ended 30 June 2025, the Group recorded a significant sales increase of approximately 81.3% in the PRC (including Hong Kong) and a growth by approximately 2.0% in sales to customers in Europe, which was partially offset by a decline in sales to customers in North America, South-east Asia and other regions compared to the same period in 2024.

Cost of sales

The cost of sales primarily consisted of direct materials, direct labour costs, and manufacturing overheads. During the six months ended 30 June 2025, the cost of sales increased by approximately 2.2%, mainly driven by higher material costs aligned with sales growth, partially offset by a reduction in direct labour costs.

Gross profit and gross profit margin

As a result of the aforementioned factors, the Group's gross profit for the six months ended 30 June 2025 was approximately HK\$76.1 million, representing an increase of approximately 12.5% as compared to the corresponding period in 2024. Gross profit margin also increased by 1.4 percentage points to 18.8% for the six months ended 30 June 2025, as compared with 17.4% for the corresponding period in 2024.

Other income

Other income primarily comprises scrap material sales income, government grants and subsidies received in the PRC and Hong Kong, handling fee income, investment income, commission income and rental income. The Group recorded other income of approximately HK\$2.1 million for the six months ended 30 June 2025, representing an increase of approximately HK\$0.8 million compared with the corresponding period of 2024. This growth was primarily attributable to higher handling fee income and an increase in government grants and subsidies received.

Selling and distribution expenses

Selling and distribution expenses primarily consist of freight and transportation expenses, sales commission expenses, advertising and promotion expenses, inspection fee, business trips expenses and marine insurance expenses. Selling and distribution expenses increased from approximately HK\$8.3 million for the six months ended 30 June 2024 to approximately HK\$9.7 million for the same period in 2025. This increase was mainly attributable to higher freight and transportation costs, as well as increased commissions payable to sales agents, driven by the growth in sales.

Administrative expenses

Administrative expenses primarily consist of employee benefit expenses (including Directors' remuneration), depreciation for property, plant and equipment and right-of-use assets, staff welfare and messing expenses, legal and professional fees, auditors' remuneration and other general administrative expenses. Administrative expenses dropped from approximately HK\$89.7 million for the six months ended 30 June 2024 to approximately HK\$80.7 million for the same period in 2025. This reduction was primarily attributable to a decrease in employee benefit expenses.

Other operating (expense)/income, net

Other operating (expense)/income, net mainly consists of net gain on foreign exchange, (provision for)/reversal of impairment loss on trade receivables and fair value gain on financial assets at fair value through profit or loss. For the six months ended 30 June 2025, the Group recorded a net other operating expense of approximately HK\$0.3 million, compared to a net other operating income of approximately HK\$4.9 million for the corresponding period in 2024. This change was principally driven by an increased provision for impairment loss on trade receivables, an impairment loss recognised on intangible assets, and a reduction in net foreign exchange gains.

Finance income

Finance income refers to the interest earned on bank deposits. It rose by approximately 11.0% from approximately HK\$1.1 million for the six months ended 30 June 2024 to approximately HK\$1.3 million for the same period in 2025. This growth was primarily due to more time deposits placed with banks.

Finance expenses

Finance expenses include interest on lease liabilities and bank borrowings, and bank charges. These expenses increased by approximately 6.0% from approximately HK\$5.3 million for the six months ended 30 June 2024 to approximately HK\$5.6 million for the same period in 2025. The increase was primarily driven by higher interest on lease liabilities, following the commencement of a new factory lease in the UK and the renewal of factory leases in the PRC during the second half of 2024. The overall increase was partially offset by a reduction in bank charges and lower interest expenses on bank borrowings.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2025, the Group primarily financed its operational and capital requirements through a combination of cash flows generated from the operating activities and bank borrowings. As at 30 June 2025, the Group had bank borrowings of approximately HK\$44.4 million (31 December 2024: approximately HK\$21.3 million), classified as current liabilities and primarily denominated in Hong Kong Dollars (“**HK\$**”) and United States Dollars (“**US\$**”) (31 December 2024: HK\$). The Group also had undrawn borrowing facilities of approximately HK\$139.0 million (31 December 2024: approximately HK\$161.5 million). In addition, the Group had restricted bank deposits and cash and cash equivalents amounted to approximately HK\$103.6 million (31 December 2024: approximately HK\$156.5 million), which were mainly denominated in HK\$, US\$, Renminbi (“**RMB**”), Thai Baht (“**THB**”), Great British Pound (“**GBP**”) and Euros (“**EUR**”).

As at 30 June 2025, the Group had net current assets of approximately HK\$302.8 million (31 December 2024: approximately HK\$317.2 million). The Group’s current ratio, calculated by dividing current assets by current liabilities, was approximately 2.2 times as at 30 June 2025 and 31 December 2024. The Group’s gearing ratio, defined as net debt divided by total capital, remained not applicable as at 30 June 2025 (31 December 2024: not applicable), as the Group maintained a positive net cash position (cash and cash equivalents minus borrowings). Net debt is calculated as bank borrowings minus cash and cash equivalents, while total capital is the sum of total equity, as reported in the interim condensed consolidated statement of financial position, and net debt (if applicable).

FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks, including: (i) market risk (comprising foreign exchange risk, price risk and cash flow interest rate risk); (ii) credit risk; and (iii) liquidity risk. The Group’s risk management programme focuses on addressing the unpredictability of financial markets and minimising potential adverse effects on the Group’s financial performance.

Foreign exchange risk

The Group operates mainly in Hong Kong, the PRC, Thailand, the UK and Ireland. Entities within the Group are exposed to foreign exchange risk arising from various currency fluctuations, particularly in relation to US\$, RMB, THB, GBP and EUR. Foreign exchange risk arises from export sales, purchases, other future commercial transactions and monetary assets and liabilities denominated in currencies other than the entity's functional currency.

The management of the Company has established a policy requiring the Group to manage its foreign exchange risk against its functional currencies. The Group mitigates this risk by closely monitoring the foreign currency movements and may enter into forward foreign exchange contracts should the need arise. During the six months ended 30 June 2025 and 2024, the Group did not enter into any forward foreign exchange contract. The Group does not employ any financial instruments for hedging purposes.

Price risk

The Group is exposed to equity securities price risk from its investments in equity instruments, which are classified as financial assets at fair value through profit or loss in the interim condensed consolidated statement of financial position. The Group mitigates its price risk exposure by maintaining a portfolio of investments with different risk and return profiles, and ensuring the investment portfolio is frequently reviewed and monitored.

Cash flow interest rate risk

The Group's interest rate risk primarily arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash held in banks at variable rates. The Group does not adopt any interest hedging strategy.

For the six months ended 30 June 2025 and 2024, all bank borrowings of the Group were arranged at floating rates varied with prevailing market condition.

As at 30 June 2025, the Group had secured bank borrowings of approximately HK\$44.4 million (31 December 2024: approximately HK\$21.3 million), primarily denominated in HK\$ and US\$ (31 December 2024: HK\$).

Credit risk

The Group's credit risks are primarily attributable to financial instruments that are trade and other receivables, deposits, time deposits and cash held in banks.

In respect of time deposits and cash held in banks, the credit risk is considered low as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The management of the Group conducts periodic assessment on the recoverability of trade and other receivables based on historical payment records, the duration of the overdue period, the financial strength of the debtors and the presence of any disputes with the debtors. According to the Group's historical experience in collection of trade and other receivables, the irrecoverable trade and other receivables fall within the recognised allowances and the management is of the opinion that adequate provision for uncollectible receivables has been made.

As at 30 June 2025, the Group has concentration of credit risk as 59.7% (31 December 2024: 45.6%) and 87.9% (31 December 2024: 84.2%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Liquidity risk

Cash flow forecasts are performed for the operating entities of the Group, taking into account debt financing plans, covenant compliance, and any applicable external regulatory or legal requirements, such as currency restrictions.

The Group manages liquidity risk through various measures, including orderly realisation of short-term financial assets and receivables and securing long-term financing through borrowings. The Group maintains funding flexibility by ensuring sufficient bank balances, committed credit lines and access to interest-bearing borrowings. These measures enable the Group to sustain its business in the foreseeable future.

COMMITMENTS

Details of the Group's commitments as at 30 June 2025 are set out in note 15 to the condensed consolidated interim financial information.

CAPITAL STRUCTURE

The capital structure of the Group consists of bank borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves.

As at 30 June 2025, the Company had 1,000,000,000 shares in issue (31 December 2024: 1,000,000,000 shares).

SIGNIFICANT INVESTMENTS

As at 30 June 2025, the Group did not hold any significant investments (31 December 2024: nil).

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025 and 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in this announcement, the Group currently has no other plans for material investments and capital assets.

CONTINGENT LIABILITIES

The Group had contingent liabilities as at 30 June 2025 and 31 December 2024 in respect of:

A PRC subsidiary of the Company is currently involved in labour disputes with certain former employees regarding compensation for the termination of their employment contracts. The Company has sought legal advice from law firms in the PRC, which indicates that it is likely the judgment will be in favour of the Group. Therefore, no provision has been recognised in relation to these disputes. The potential undiscounted amount of total payments that the Group would be required to make in the event of adverse decisions related to these lawsuits is estimated to be approximately HK\$7.2 million as at 30 June 2025 (31 December 2024: approximately HK\$6.0 million).

TREASURY MANAGEMENT

During the six months ended 30 June 2025, there were no material changes in the Group's funding and treasury policies. The Group maintains an adequate level of cash and banking facilities to support its normal business operations.

The Group's capital management objectives are to ensure the continuity of the Group as a going concern while maximising the return to the shareholders of the Company (the "Shareholders") through an optimal balance of debt and equity. The Group manages its capital in proportion to risk and makes necessary adjustments to its overall capital structure. The management of the Group closely monitors the trade receivable balances for any overdue balances on an ongoing basis and only trade with creditworthy parties. The management of the Group carefully monitors the Group's liquidity position to ensure that the liquidity structure of its assets, liabilities and commitments can meet its funding requirements and effectively manage liquidity risk.

PLEDGE OF ASSETS

As at 30 June 2025, the property, plant and equipment amounted to approximately HK\$18.8 million (31 December 2024: approximately HK\$19.3 million), restricted bank deposits amounted to approximately HK\$15.5 million (31 December 2024: approximately HK\$15.4 million), trade receivables amounted to approximately HK\$28.3 million (31 December 2024: nil) and an indemnity for an unlimited amount executed by the Company were pledged as security for the bank borrowings of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2025, the Group had a total of 1,260 employees (31 December 2024: 1,310). The Group's employee benefit expenses mainly included salaries, overtime payment, discretionary bonus, Directors' remuneration, other staff benefits and contributions to retirement schemes.

For the six months ended 30 June 2025, the Group's total employee benefit expenses (including Directors' remuneration) amounted to approximately HK\$80.9 million (six months ended 30 June 2024: approximately HK\$99.0 million). Remuneration is determined with reference to the qualification, experience and work performance, whereas the discretionary bonus is based on work performance, the Group's financial performance for the year, and prevailing market conditions.

OUTLOOK

The Group remains cautiously optimistic while navigating global economic uncertainties. A healthy order backlog in the EMS business indicates resilient demand, supported by rising health awareness, ongoing digital transformation and the global shift toward new energy. To capture these trends, the Group will strengthen its execution in sales and marketing, pursue targeted business development and continue investing in advanced technologies to enhance production efficiency and service quality.

In alignment with global sustainability initiatives and the PRC's Belt and Road strategy, the Group is scaling its new energy business in Kazakhstan as a regional hub. The Group has partnered with Sinoil (China National Petroleum) to deploy EV charging and digital advertising facilities across approximately 140 Sinoil service stations nationwide. Three model EV charging stations have been established in Almaty, integrating smart Deltrix EV charging infrastructure, smart energy storage, smart digital advertising kiosks and smart car wash facilities.

Looking ahead, the Group will further enhance its charging infrastructure by rolling out smart charging stations that integrate solar power and energy storage systems. These sites will support EV charging while building out a comprehensive ecosystem that combines digital advertising, automated car-wash services and convenience retail. The integrated advertising platform is intended to help Chinese enterprises expand their market presence in Central Asia and supports the Group's objective of becoming a leading outdoor media provider in Kazakhstan.

Beyond Kazakhstan, the Group is expanding into Uzbekistan, with plans to build an electric heavy-duty truck manufacturing factory and establish smart charging stations to support the country's transition to sustainable transportation – reinforcing the Group's commitment to the clean-energy transformation in Central Asia.

Beyond Central Asia, the Group is extending its new energy footprint in Southeast Asia, initially focusing on Thailand, the Philippines and Malaysia. Leveraging its expertise in new energy solutions, the Group aims to establish a strong position in these fast-growing markets and plans to manufacture Deltrix-branded electric motorcycles for these markets.

Through these initiatives, the Group is advancing its vision of a "Greater Asia New Energy Business Circle" – a strategic network integrating EV charging infrastructure, energy storage, digital advertising and smart service solutions across multiple regions. This roadmap aligns with the Group's long-term commitment to sustainability, technological innovation and value creation for stakeholders.

The Group will remain focused on identifying and capitalising on emerging opportunities in the new energy sector. By sharpening go-to-market strategies and investing in priority growth areas, the Group aims to strengthen its market position and deliver long-term value for stakeholders.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK0.6 cent per ordinary share of the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: nil). The said interim dividend is expected to be paid on Thursday, 23 October 2025 to the Shareholders whose names appear on the register of members of the Company on Thursday, 2 October 2025, being the record date for determination of entitlements to the interim dividend. A final dividend of HK1.2 cents per ordinary share of the Company for the year ended 31 December 2024, representing a total amount of HK\$12.0 million, was approved by the Shareholders at the annual general meeting of the Company held on 27 May 2025, and was subsequently paid on 14 July 2025.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to the interim dividend, the register of members of the Company will be closed from Monday, 29 September 2025 to Thursday, 2 October 2025, both days inclusive. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 26 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025.

EVENTS AFTER THE END OF THE SIX MONTHS ENDED 30 JUNE 2025

Save as disclosed in this announcement, there are no significant events affecting the Group after the six months ended 30 June 2025 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company's corporate governance code is based on the principles of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). The Company is committed to ensuring a quality Board and its transparency and accountability to its Shareholders. The Company complied with all code provisions as set out in Part 2 of the CG Code, and adopted the recommended best practices of the CG Code insofar as they are relevant and practical during the six months ended 30 June 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as the code of conduct governing Directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code and there were no events of non-compliance during the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee was established on 27 October 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of the CG Code. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. Wong Kwok Kuen, Mr. Kan Pak Cheong and Mr. Bao King To. The chairman of the Audit Committee is Mr. Wong Kwok Kuen.

The Audit Committee has reviewed this preliminary interim results announcement and the unaudited Interim Financial Information.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited Interim Financial Information has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The review report of the independent auditor will be included in the interim report to be sent to the Shareholders.

On behalf of the Board
Trio Industrial Electronics Group Limited
Wong Sze Chai
Chairman and executive Director

Hong Kong, 28 August 2025

As at the date of this announcement, the Board comprises Mr. Wong Sze Chai (Chairman), Ms. Liu Yun and Mr. Leung Tak Ho as executive Directors, Mr. Kwan Tak Sum Stanley as non-executive Director, Mr. Kan Pak Cheong, Mr. Wong Kwok Kuen and Mr. Bao King To as independent non-executive Directors.