KANTONE HOLDINGS LIMITED

看 通 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1059)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2025

FINAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Kantone Holdings Limited (the "**Company**"), together with its subsidiaries, collectively, (the "**Group**") announces the consolidated results of the Group for the year ended 30 June 2025 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Notes	**2025** *HK$'000*	2024 *HK$'000*
Revenue	*3*	**151,280**	152,279
Cost of sales		**(58,385)**	(58,766)
Gross profit		**92,895**	93,513
Other income, gains and losses		**6,797**	6,194
Fair value gain/(loss) on financial assets at fair value through profit or loss		**5,453**	(13,095)
Gain/(loss) on disposal of financial assets at fair value through profit or loss		**116**	(2)
Fair value gain/(loss) on investment properties		**798**	(434)
Distribution costs		**(25,859)**	(27,463)
General and administrative expenses		**(56,932)**	(54,417)
Impairment losses recognised for inventories		**(25)**	—
Impairment losses reversed for loan receivables		**28**	21
Written off of other payables		**1,827**	—
Written off of loan receivables		**(48)**	—
Finance costs		**(334)**	(505)

	Notes	**2025**	2024
		HK$'000	*HK$'000*
Profit before taxation		**24,716**	3,812
Income tax credit	*5*	**2,344**	1,912
Profit for the year		**27,060**	5,724
Other comprehensive income/(expense):			
Item that will not be reclassified to profit or loss:			
Remeasurement of defined benefits pension plans		**3,541**	11,841
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		**15,507**	(1,627)
Other comprehensive income for the year		**19,048**	10,214
Total comprehensive income for the year		**46,108**	15,938
Earnings per share			
— Basic and diluted		**HK8.05 cents**	HK2.18 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment		**45,237**	37,717
Right-of-use assets		**7,587**	6,176
Investment properties		**13,830**	5,530
Retirement benefit surplus		**20,622**	17,665
Other receivables	*9*	**2,952**	3,752
		90,228	70,840
Current assets			
Inventories	*8*	**18,770**	20,255
Trade and other receivables	*9*	**43,809**	36,263
Loan receivables	*10*	**2,684**	2,628
Financial assets at fair value through profit or loss		**10,539**	417
Tax recoverable		**2,838**	2,705
Cash and cash equivalents		**138,707**	109,308
		217,347	171,576
Current liabilities			
Trade and other payables	*11*	**47,314**	43,521
Contract liabilities		**29,081**	25,917
Lease liabilities		**4,263**	3,199
Warranty provision		**1,284**	1,259
Tax payable		**36**	36
		81,978	73,932
Net current assets		**135,369**	97,644
Total assets less current liabilities		**225,597**	168,484

	2025	2024
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**3,485**	3,072
	3,485	3,072
Net assets	**222,112**	165,412
Capital and reserves		
Share capital	**37,503**	31,253
Reserves	**184,609**	134,159
Total equity	**222,112**	165,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for defined benefit retirement plan and certain financial instruments that are measured at fair value and in accordance with HKFRS Accounting Standards ("**HKFRSs**") (which include all the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS ("HKFRSs")

In the current year, the Company and its subsidiaries (collectively, the "**Group**") has applied the following amendments to HKFRSs as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards Volume 11[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future, except for HKFRS 18 which will impact the presentation of profit or loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the amounts received and receivable for goods sold and services provided by the Group to external customers.

The revenue of the Group comprises the following:

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15 *Revenue from Contracts with Customers*		
Technology — Sales of systems including software licensing	**72,621**	80,446
Technology — Rendering of installation and maintenance services	**53,181**	47,278
	125,802	127,724
Leases — Operating lease payments that are fixed		
Technology — Leasing of system products	**25,478**	24,555
	151,280	152,279

(b) Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, which are regularly reviewed by the directors of the Company, being the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. Three operating and reportable segments under HKFRS 8 *Operating Segments* are identified as follows:

- Sales of cultural products — includes income from trading of cultural products
- Technology: System sales including software licensing and services — includes income from sales of systems including software licensing and provision of installation and maintenance services
- Technology: Leasing of system products — includes income from leasing of system products

Segment results represent the profit or loss before taxation recognised by each reportable segment, excluding interest income, finance costs, fair value changes of financial assets at fair value through profit or loss and investment properties, unallocated income and expenses such as central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

	Technology			
	Sales of cultural products	**System sales including software licensing and services**	**Leasing of system products**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2025				
REVENUE				
External and total revenue				
Recognised at a point in time	**—**	**72,621**	**—**	**72,621**
Recognised over time	**—**	**53,181**	**25,478**	**78,659**
	—	**125,802**	**25,478**	**151,280**
RESULTS				
Segment result	**(1,068)**	**13,887**	**3,406**	**16,225**
Interest income				**3,306**
Fair value gain on financial assets at fair value through profit or loss				**5,453**
Gain on disposal of financial assets at fair value through profit or loss				**116**
Fair value gain on investment properties				**798**
Finance costs				**(334)**
Unallocated expenses, net				**(848)**
Profit before taxation				**24,716**
Year ended 30 June 2024				
REVENUE				
External and total revenue				
Recognised at a point in time	—	80,446	—	80,446
Recognised over time	—	47,278	24,555	71,833
	—	127,724	24,555	152,279
RESULTS				
Segment result	(470)	16,151	2,537	18,218
Interest income				2,798
Fair value loss on financial assets at fair value through profit or loss				(13,095)
Loss on disposal of financial assets at fair value through profit or loss				(2)
Fair value loss on investment properties				(434)
Finance costs				(505)
Unallocated expenses, net				(3,168)
Profit before taxation				3,812

		Technology			
	Sales of cultural products	**System sales including software licensing and services**	**Leasing of system products**	**Unallocated**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 30 June 2025					
Amounts included in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	**—**	**9,355**	**1,874**	**31**	**11,260**
Depreciation of right-of-use assets	**—**	**3,563**	**533**	**—**	**4,096**
Impairment losses recognised for inventories	**25**	**—**	**—**	**—**	**25**
Impairment losses reversed for loan receivables	**(28)**	**—**	**—**	**—**	**(28)**
Year ended 30 June 2024					
Amounts included in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	—	7,903	1,498	—	9,401
Depreciation of right-of-use assets	—	2,894	385	464	3,743
Impairment losses reversed for loan receivables	(21)	—	—	—	(21)

No information about segment assets and liabilities is presented as such information is not regularly provided to the chief operating decision maker for resource allocation and performance assessment purposes.

4. DEPRECIATION

	2025	2024
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment included in general and administrative expenses	**11,260**	9,401
Depreciation of right-of-use assets included in general and administrative expenses	**4,096**	3,743

5. INCOME TAX

	2025	2024
	HK$'000	*HK$'000*
Current tax:		
— Germany corporate income tax	**357**	921
— Malaysia corporate income tax	**19**	257
— UK corporate income tax credit	**(2,656)**	—
	(2,280)	1,178
Under/(over) – provision in prior years:		
— Germany corporate income tax	**—**	1
— Malaysia corporate income tax	**(64)**	—
— UK corporate income tax	**—**	(3,091)
	(64)	(3,090)
Income tax credit	**(2,344)**	(1,912)

Pursuant to the rules and regulations of Germany, the Group is subject to corporate income tax at 31.43% (2024: 31.43%) on the estimated assessable profit of the subsidiary which carried on business in Germany.

Pursuant to the rules and regulations of Malaysia, the Group is subject to corporate income tax at 24% (2024: 24%) on the estimated assessable profit of the subsidiary which carried on business in Malaysia.

UK corporate income tax is calculated at 25% (2024: 25%) on the estimated assessable profit derived from UK.

The research and development ("**R&D**") expenditure credits, which equal to 20% (2024: 10%) of the amount surrendered, are available for carry forward to offset against future corporation tax liabilities.

6. DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2025 nor has any dividend been proposed since the end of reporting period (2024: Nil).

7. EARNINGS PER SHARE

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

	2025	2024
	HK$'000	*HK$'000*
Profit for the year	**27,060**	5,724
Number of ordinary shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**335,989**	262,434

Diluted earnings per share for the years ended 30 June 2025 and 30 June 2024 were the same as the basic earnings per share as there were no potential ordinary shares outstanding during both years.

8. INVENTORIES

	2025	2024
	HK$'000	*HK$'000*
Raw materials	**7,158**	7,525
Work in progress	**2,947**	3,657
Finished goods *(Notes)*	**8,665**	9,073
	18,770	20,255

Notes:

(i) Included in finished goods are cultural products (including precious stone and artifacts) of HK$550,000 (2024: HK$567,000) which are held for trading and resale in the ordinary course of business.

(ii) As at 30 June 2025 and 2024, all cultural products of the Group were stored in a secured warehouse run by a world-renowned security company, which is an independent third party to the Group.

9. TRADE AND OTHER RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Trade receivables *(Note)*	**19,073**	11,381
Other receivables	**27,688**	28,634
	46,761	40,015
Represented by:		
Current portion	**43,809**	36,263
Non-current portion	**2,952**	3,752
	46,761	40,015

Note:

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days.

The ageing analysis of trade receivables (net of expected credit losses) presented based on the invoice date at the end of the reporting period is as follows:

	2025	2024
	HK$'000	*HK$'000*
0–60 days	**15,973**	10,630
61–90 days	**2,884**	661
91–180 days	**203**	90
Over 180 days	**13**	—
	19,073	11,381

Before accepting any new customer, the Group's finance and sales management team would assess the potential customer's credit worthiness and define credit limits accordingly for the customers. Credit limits attributable to customers are reviewed regularly with reference to past settlement history and where appropriate, information about their current reputation.

The ageing analysis of trade receivables (net of expected credit losses) presented based on past due status at the end of the reporting period is as follows:

	2025	2024
	HK$'000	*HK$'000*
Not past due	**18,857**	11,140
Less than 1 month past due	**—**	152
1 to 3 months past due	**195**	25
3 to 12 months past due	**21**	64
	19,073	11,381

10. LOAN RECEIVABLES

	2025	2024
	HK$'000	*HK$'000*
Loan receivables	**2,764**	2,733
Less: provision for impairment losses	**(80)**	(105)
	2,684	2,628

As at 30 June 2025, loan receivables (net of expected credit losses) of approximately HK$2,684,000 (2024: approximately HK$2,628,000) were due from one borrower (2024: one borrower), unsecured and with personal guarantee. All the loan receivables are denominated in Renminbi ("**RMB**"). The loan receivables carry fixed interest rate at 8% (2024: 8%) per annum with maturity date within 12 months from the loan draw down date.

11. TRADE AND OTHER PAYABLES

	2025	2024
	HK$'000	*HK$'000*
Trade payables	**4,129**	3,308
Other payables *(Note)*	**43,185**	40,213
	47,314	43,521

Note:

It mainly represents amount due to the former ultimate holding company, accrued expenses and accrued directors' bonus to certain subsidiaries operated in UK.

The aging analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

	2025 *HK$'000*	2024 *HK$'000*
0–60 days	**3,323**	2,610
91–180 days	**806**	698
	4,129	3,308

The credit period for purchases of goods ranged from 30 days to 60 days.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Multitone's growing success in the government sector is directly linked to its advanced technology and mastery of working capital intensity. Winning these substantial contracts hinges on our ability to offer extended credit terms and guarantee rapid project execution — both of which require superior liquidity and inventory management. Rather than a challenge, this financial commitment is our competitive edge, positioning us as a reliable, high-capacity partner for time-sensitive government initiatives.

The UK faced several domestic and international headwinds. Domestic challenges include the lingering effects of high interest rates, as well as the impact of increases in National Insurance and the National Living Wage on business costs and investment. Globally, geopolitical tensions and trade frictions, particularly the introduction of new tariffs, caused trade disruption and restrained growth.

Multitone continues to invest in new technologies including AI and platforms to position itself as a leading provider of critical messaging solutions as growth recovers.

An exciting group wide re-brand was announced during the period. In an increasingly competitive landscape, sending a consistent, cohesive, and controlled message about who we are is critical. Our brand is more than just a logo; it's the sum of every interaction, every piece of communication, and every visual cue which reflects our commitment to quality, professionalism, and distinctive style across all touchpoints.

The new branding will help us to build trust and credibility among our customers, partners, and stakeholders. It will amplify the effectiveness of our marketing and communications efforts, contributing directly to our goals and market position.

Our vision is to be the leading provider of integrated communications and automation solutions, helping people embrace the opportunities provided by apps and the Internet of Things whilst guaranteeing business continuity with intelligent systems and robust radio technologies.

Revenue

The Group reported a total revenue for the twelve months ended 30 June 2025 of approximately HK$151 million as compared with approximately HK$152 million for the fiscal year 2024, representing an decrease of approximately 0.7%. Most of the revenue was generated by Multitone Electronics PLC, our principal subsidiary in the United Kingdom. Performance in the prior fiscal year included a combination of the fulfilment of a significant order backlog due to supply chain issues which are now resolved, combined with the earlier than anticipated receipt and fulfilment of emergency services orders in the period.

Profit Attributable to Owners of the Group

For the fiscal year ended 30 June 2025, the profit attributable to the owners of the Group amounted to approximately HK$27.1 million, compared with profit of approximately HK$5.7 million in the prior period.

The gross margin percentage was consistent with the prior period, indicating consistent profitability from core operations.

This increase in profits is attributable to the combined effect of the gain (fair values loss in prior year) on financial assets and decrease in distribution costs during the review period. The gross margin percentage remained relatively stable throughout the year, reflecting consistent profitability from our core operations.

Distribution Costs

For the fiscal year ended 30 June 2025, distribution costs were recorded at approximately HK$25.9 million, a slight decrease from HK$27.5 million in the previous period. This decrease in costs is attributed to reduced sales.

General and Administrative Expenses

General and administrative expenses for the period under review totaled approximately HK$56.9 million, compared to HK$54.4 million in the previous period, representing a 4.6% increase.

Finance Costs

Finance costs for the year decreased to approximately HK$0.3 million from approximately HK$0.5 million as compared with the fiscal year 2024.

REVIEW OF OPERATIONS

Securities Investments

As part of the Group's short term investment activities, the Group has invested in some Hong Kong listed securities, the details and information of which are as follows:

As at 30 June 2025, the fair value of the listed equity investments in Hong Kong classified as financial assets at fair value through profit or loss amounted to approximately HK$10.5 million (30 June 2024: approximately HK$0.4 million). This investment portfolio comprised 3 (30 June 2024: 1) equity security listed in the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

A summary of the Group's financial assets at fair value through profit or loss are given below:

Company Name/Stock Code	Number of shares held by the Group at 30 June 2025	Percentage of the issued share capital of the relevant company at 30 June 2025	Investment cost at 30 June 2025	Accumulated unrealised fair value gain/(loss)	Fair value at 30 June 2025
		%	*HK$*	*HK$*	*HK$*
Financial assets at fair value through profit or loss					
China Environmental Resources Group Limited (Stock code: 1130)	14,660,000	3.00%	3,331,600	5,317,800	8,649,400
Champion Technology Holdings Limited (Stock code: 92)	8,736,000	0.89%	1,951,848	(257,064)	1,694,784
STAR CM Holdings Limited (Stock code: 6698)	101,000	0.03%	2,676,500	(2,481,570)	194,930
			7,959,948	2,579,166	10,539,114

Technology Business — System Products

Multitone Nucleus™ — Cloud and on-premises messaging solution

Our move to an agile software development model at the beginning of the period has proved successful, as our new cloud-based messaging solution Multitone Nucleus™ was launched during the period. This is the culmination of a multi-year development project to build a cloud based resilient messaging platform for the future. Through our partnership with Amazon Web Services ("**AWS**") the Multitone Nucleus™ platform offers a resilient device agnostic critical messaging application, combined with support for on-premises paging. This gives Multitone a unique selling proposition in our core markets.

Further phases of development together with the infusion of AI technology will provide features for clinical collaboration in healthcare, estate management and retail operations, and will support the delivery of critical messages to our new Multitone Evolve™ messaging device.

Multitone continues to maintain support for our highly successful Multitone i-Message® critical messaging platform, supporting existing customers in public sector healthcare in the UK and around the world.

EkoTek® family of products

Multitone continues to be successful in the personal security, lone worker and nurse call market in Germany.

New IK10 rated anti-vandal and anti-ligature devices are scheduled for release in the fourth quarter of 2025 which will greatly enhance our sales proposition in the UK where we have been successful in sales of EkoTek® solutions to the mental healthcare market.

Sales of MaBLE in our German market continue to disappoint with lower than anticipated sales volumes.

Cultural Products

Cultural products, including precious stones and artifacts, valued at approximately HK$550,000 (as at 30 June 2024: HK$567,000) have been held for trading and resale in the ordinary course of business. They were included in the inventories of the Group as at 30 June 2025.

A general economic slowdown has led to reduced consumer spending, particularly on non-essential items such as artifacts and collectibles.

All such cultural products, totalling 143 pieces, have been kept in a secured warehouse run by a world-renowned security solution company, which is an independent third party to the Group.

Money Lending Transactions

During the year under review, the Company's PRC subsidiary entered into one lending contract (the "**Loan**") with one PRC company, which is an independent third party. The amount of the Loan is RMB2.5 million (30 June 2024: RMB2.5 million). The terms of the Loan are for a period of twelve months started from the drawdown date, and the interest rate is 8% per annum. The Loan is properly backed by a guarantor whose financial strength is considered strong enough to act as the guarantor of this loan. All loans were settled on time.

Money lending services were provided by the Company's subsidiary in the Mainland of China (Mainland). The Mainland subsidiary has never presented itself to the public as a money lender nor sought out borrowers for loans. In Hong Kong, money lending occurred on a sporadic basis, contingent upon the availability of funds and referrals from the directors, as the Company did not engage in marketing of these services. Consequently, the Directors do not view money lending as a principal or core business of the Company during this fiscal year.

The lending activities were limited to term loans with fixed interest rates. Each proposed loan was evaluated individually, with no specific industry designated for lending purposes. However, the Company does maintain a money lending checklist that the Directors must adhere to if the need arises. Loans are only issued from idle funds and are extended solely to individuals or their companies who approach the subsidiary's directors through personal connections. The directors then conduct a credit assessment, and if the results are satisfactory, they submit their recommendations to the Directors in Hong Kong for further evaluation and approval.

The assessment and Know Your Client (KYC) processes adhere to the following procedures:

1. Verify the identities of the directors of the borrowers and guarantors (where appropriate).

2. Confirm the address proof for both the borrowers and guarantors.

3. Obtain a copy of the business registration certificate and the company number, if applicable.

4. Review the memorandum and articles of association for both the borrower and the guarantor, if applicable.

5. Consult with external legal advisors, if necessary.

After collecting and verifying the background information of the prospective borrowers, the director of our Hong Kong money-lending operation or the director from the Mainland subsidiary will conduct a loan assessment process. This includes evaluating the creditworthiness and financial standing of the borrowers by reviewing the management accounts, and the personal financial background of the guarantor, where applicable.

Taking into account the borrower's financial condition, the extent and quality of collaterals or guarantees, as well as the loan tenure, the director of the Hong Kong money-lending operation or the relevant Mainland subsidiary will propose an interest rate aimed at rationalising profit while ensuring compliance with the interest rate regulations in Hong Kong and the Mainland. This is to ensure that we do not impose interest rates exceeding the statutory limits. Normally, the Mainland subsidiary will charge no less than double the China Loan Prime Rate (CLPR), while the Hong Kong money lender will add a reasonable premium atop the Hong Kong Prime Rate.

The due diligence report, KYC documentation, and credit assessment documents, along with the loan amount, terms, and repayment method, will be submitted to the Group's directors for approval. Once approval is granted, the final loan agreement will be executed by our director of the Mainland subsidiary, along with the borrower and the guarantor.

The directors of the Hong Kong money lending company or the relevant Mainland subsidiary will maintain personal contact with the borrowers periodically throughout the duration of the loan. They will begin reminding the borrowers about repayment approximately one month before the respective due dates.

The following are our standard procedures for handling delinquent loans:

A demand letter will be sent to the borrower requesting immediate repayment.

Our legal counsel in Hong Kong or the Mainland will be instructed to issue a demand letter to both the borrower and the guarantor, demanding immediate repayment.

Formal legal action will be initiated if:

(a) The borrower refuses to repay; or

(b) No settlement arrangement is reached within 14 working days from the date of our legal demand letter.

Ever since the current management permitted the granting of such term loans, there has been no signs that any Loan would become delinquent.

OUTLOOK

It has been an incredibly challenging business environment for the Group in the reporting period, with significant disruption to the public sector due to industrial action in the UK.

The economic outlook is characterised by a period of modest, albeit slowing, economic growth and persistent, but moderating, inflation. Central banks have been cutting interest rates, but future cuts are uncertain as banks are closely monitoring persistent inflation, particularly in the services sector. The economic landscape remains clouded by global uncertainties, including geopolitical tensions and trade policy changes.

We continue to target growth in our core markets of Healthcare and Emergency Services in the UK, as well as addressing new markets.

Short to Medium Term Outlook

The Company's recent product launch, Multitone Nucleus™, is a significant development. This is a new platform designed to be a central hub for real-time communication and collaboration, particularly in critical industries like healthcare and public safety. This new offering aligns with the Company's core strengths and demonstrates a commitment to innovation.

Leveraging the Multitone Nucleus™ platform presents the most immediate and significant growth opportunity. By positioning it as a comprehensive, integrated, and secure solution for critical communication we can expand market share to new clients in our established sectors (healthcare, emergency services) as well as adjacent critical industries like logistics, manufacturing, and utilities.

The platform's nature offers opportunities for subscription-based models and long-term service contracts, which will provide a stable future revenue stream.

While the Company has a history in hardware, the future of communication is increasingly software and services driven. Multitone has an opportunity to invest further in developing advanced software features for its platforms, such as AI-driven analytics, predictive alerts, and enhanced security protocols, to increase their value proposition.

As we enter the new fiscal year, we have already established a significant pipeline for the Multitone Nucleus™ solution. Our International Sales team has secured the first significant order for Multitone Nucleus™ with a contract to supply a critical communication solution to the Falklands Islands government, a British overseas territory.

The key to delivering growth is our continued investment in R&D, including AI technology. Our adoption of agile software development methods has expedited the release of Multitone Nucleus™, our partnership with external development resources will help us to expedite the release of future hardware solutions.

Multitone Evolve™

Our next generation 2-way device supports receipt of messages over traditional RF networks as well as communication via Wi-Fi and Bluetooth Low Energy ("**BLE**"). Despite previous delays in the design phase, the development team worked tirelessly during the period to recover from the delay and to deliver the new device as early as possible.

The product has now reached the pilot manufacturing stage and will shortly be entering the product approvals stage before release to market in the fourth quarter of 2025.

This new device will allow Multitone to extend support for dedicated devices in critical messaging solutions in our core healthcare markets for many years to come and will become the successor to the traditional paging device.

Project Aura — a successor to our award winning EkoTek® family of products

The new fiscal year will see the commencement of a £1 million (approximately HK$10.9 million) investment in R&D to develop the next generation and successor to our EkoTek® family of products.

The new product family will offer increased bandwidth and performance to allow greater integration and improved support for IOT solutions.

The UK Market

The UK remains our largest market, and whilst Sales have reduced in the period under review, we have still seen substantial Revenue and Sales intake.

The new releases of Multitone Nucleus™ and the pending release of Multitone Evolve™ will give the group a unique selling proposition, as we will be able to provide both cloud and on-premises critical messaging in a single integrated solution.

The EU Market

Sales in Germany were HK$30.59 million for the period under review, compared to HK$33.57 million in the previous period.

During the period under review, we have appointed a new distributor Pewna Lacznosc in Poland to expand our reach and grow our revenue in International Sales.

Sales to the Irish Republic were our largest market outside of Germany in the EU during the period.

Other markets

Oceania — New Zealand & Australia

Sales to this region remain strong but are again largely attributable to sales of third-party cordless telephony products into Australia, and EkoTek® products into New Zealand.

US Market

We have taken steps to identify new partners in this region, and we are confident that progress will be made to re-establish sales in this region during the new fiscal year.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group's financial position remained positive.

As at 30 June 2025, the Group had approximately HK$138.7 million (2024: approximately HK$109 million) liquid assets made up of deposits, bank balances and cash. Current assets were approximately HK$217.3 million (2024: approximately HK$172 million) and current liabilities amounted to approximately HK$82.0 million (2024: approximately HK$74 million). With net current assets of approximately HK$135.4 million (2024: approximately HK$98 million), the Group maintained a healthy level of financial liquidity. As at 30 June 2025, the Group had no borrowings (2024: no borrowings) and a zero- gearing ratio (2024: zero gearing ratio of the Group, defined as the Group's total borrowings to equity attributable to owners of the Company, was zero).

The Company has been maintaining sufficient cash levels to enable it to meet its liabilities as they fall due. Management reviews cashflow forecasts on a regular basis to ensure sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Finance costs for the year ended 30 June 2025 was approximately HK$334,000 (2024: approximately HK$505,000).

The Group's UK subsidiary company experienced a steady increase in operating cash flow throughout the year, signifying robust cash generation from core operations. There were substantial cash outflows from investing activities, primarily for investments in inventory, plant, and equipment. In line with other government entities globally, it will be necessary to extend longer-than-usual credit terms to this category of special customers. Our UK subsidiary therefore has higher internal funding requirements, which necessitate maintaining significantly larger cash reserves as the business expands. Despite these significant cash outflows, the company managed to achieve a net increase in cash and cash equivalents for the year.

Fund Raising Activities

A. 2024 Placing

During the year ended 30 June 2024, the Group completed a fund-raising exercise to strengthen its financial position and raised total gross proceeds of approximately HK$14.8 million, with the net proceeds therefrom being reserved for the general working capital of the Group and investment in potential sectors should the opportunities arise (the "**2024 Placing**").

The placing of new shares has been completed on 17 June 2024 and a total of 52,086,000 Placing Shares at the Placing Price of HK$0.2950 per Placing Share were placed to not less than six Placees. The net price of each Placing Share received was approximately HK$0.28. The market price of the share of the Company on 24 May 2024, being the date on which the terms of the issue were fixed, was HK$0.355.

Date of Announcement	**Fund raising activity**	**Net proceeds raised**	**Intended use of proceeds**	**Actual use of proceeds**
17 June 2024	Placing of new Ordinary shares under general mandate	Approximately HK$14.8 million	For general working capital purpose which is according to the intention previously disclosed by the Company	Used as intended

Up to 30 June 2025, the Group utilised the net proceeds of the 2024 Placing as follows:

Intended use of net proceeds	**Allocation of net proceeds** *HK$ (million)*	**Utilisation up to the financial period ended 30 June 2025** *HK$ (million)*	**Unused net proceeds up to the financial period ended 30 June 2025** *HK$ (million)*
General working capital of the Group	14.8	10.5	4.3
	14.8	10.5	4.3

The Company will keep the expected timetable to use the unused net proceeds balance according to the intentions previously disclosed by the Company within twelve months.

B. 2025 Placing

On 21 January 2025, the Company entered into a placing agreement, pursuant to which the Company conditionally agreed to place, on a best effort basis, maximum of 62,505,000 placing shares (the "**2025 Placing**").

The placing of new shares was completed and a total of 62,505,000 placing shares at the placing price of HK$0.172 per placing share were placed to not less than six placees on 13 February 2025. The net proceeds from the placing, after deducting placing commission, professional fees and all related expenses, amounted to approximately HK$10.5 million. The net price of each Placing Share received was HK$0.168. The market price of the share of the Company on 21 January 2025, being the date on which the terms of the issue were fixed, was HK$0.191. The Company intends to use the net proceeds mainly for general working capital of the Group and the acquisition of industrial premises in Hong Kong.

Date of Announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
21 January 2025	Placing of new Ordinary shares under general mandate	Approximately HK$10.5 million	For working capital of the Group and acquisition of industrial premises in Hong Kong, which is in accordance with the intention previously disclosed by the Company	Used as intended

Intended use of net proceeds	Allocation of net proceeds	Utilisation up to the financial period ended 30 June 2025	Unused net proceeds up to the financial period ended 30 June 2025
	HK$ (million)	*HK$ (million)*	*HK$ (million)*
Working capital of the Group and acquisition of industrial premises in Hong Kong	10.5	9.3	1.2
	10.5	9.3	1.2

TREASURY POLICY

The Group is committed to managing its financial resources prudently and to maintaining a positive liquid financial position with reasonable low gearing. The Group finances its operation and business development by a combination of internally generated resources and from the capital market.

The Group's sales to its customers in Europe are in Euros, and to its customers in other countries in US Dollars and Pound Sterling, therefore the group is exposed to movements in the Euro and US Dollar to Sterling exchange rate. The Group also sources products in Euros and US Dollars and therefore minimises the risk of exchange rate fluctuations by the operation of both Euro and US Dollar currency bank accounts. The Group trades with companies and organisations in more than 30 countries around the world. This geographical spread facilitates a reduced exposure to any particular region of the world where exchange rate risks may occur.

As the level of borrowing was minimal during the year under review, there was no currency risk exposure associated with the Group's borrowings.

The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expense and, where significant exposure to foreign exchange is anticipated, appropriate hedging instruments may be used.

Management deems the exposure on interest rate risk to be low since the Group's borrowing has been maintained at a very low level.

Capital Commitments

The Group did not have any capital commitments as at 30 June 2025 (2024: Nil).

Charges

Certain property, plant and equipment of the Group with the aggregate carrying amounts of approximately HK$11.1 million (30 June 2024: approximately HK$10.1 million) have been pledged as collaterals for the defined benefit retirement scheme of certain subsidiaries operating in UK.

Save as disclosed above, the Group did not have any charges on assets as at 30 June 2025.

Contingent liabilities

As at 30 June 2025, the Group had no material contingent liabilities (2024: Nil).

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures and no future plans for material investments or capital assets during the year ended 30 June 2025.

REMUNERATION POLICY

As at 30 June 2025, the Group employed about 163 full-time and part-time staff around the globe. Staff costs for the year ended 30 June 2025 were approximately HK$76 million (2024: approximately HK$79 million).

The remuneration of the employees of the Group is determined with reference to market terms and the capabilities, performance, qualifications and experience of the individual employee.

Emoluments of the Directors are recommended by the Human Resources and Remuneration Committee of the Company after considering factors such as the Company's operating results, individual performance, salaries paid by comparable companies, and time commitment and responsibilities of the relevant director.

The Company has adopted a share option scheme that may serve as an incentive to Directors, eligible employees and consultants where appropriate.

FINAL DIVIDEND

The Directors do not recommend any payment of final dividend for the year ended 30 June 2025 (2024: Nil).

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

Neither the Company nor its subsidiaries purchased, sold or redeemed the Company's listed securities during the year ended 30 June 2025.

SCOPE OF WORK OF CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CHENG & CHENG LIMITED in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CHENG & CHENG LIMITED on the preliminary announcement.

CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2025, the Company has complied with the code provisions in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), except for code provision C.2.1 as explained below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

The role of chairman is being performed by Mr. Chan Koon Wa, who is also being an executive Director, and he is responsible for the overall strategic planning and development of the Group and the effective functioning and leadership of the Board. The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company has been monitored by the executive Director and assisted by the non-executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and who meet from time to time to look after the operations of the Company.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the year ended 30 June 2025, each of them has complied with the required standards as set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed with the management of the Group on the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters.

The annual results of the Company for the year ended 30 June 2025 have been reviewed by the Audit Committee.

By order of the Board
KANTONE HOLDINGS LIMITED
Chan Koon Wa
Chairman

Hong Kong, 26 September 2025

As at the date of this announcement, the executive director of the Company is Mr. Chan Koon Wa; and the independent non-executive directors of the Company are Mr. Leung Man Fai, Ms. Chung Sau Wai Ada and Mr. Ip Wai Lun William.