

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

PALADIN LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 495)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30 JUNE 2025

The board of directors (the “Board”) of Paladin Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ended 30 June 2025 together 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

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	3	43,805	22,733
Cost of sales and service		<u>(20,434)</u>	<u>(9,142)</u>
Gross profit		23,371	13,591
Other income	5	630	314
Other gains and losses	6	(122,506)	(96,558)
Administrative and other operating expenses		<u>(40,563)</u>	<u>(44,800)</u>
Loss from operations		(139,068)	(127,453)
Finance costs	7	<u>(6,139)</u>	<u>(5,577)</u>
Loss before tax		(145,207)	(133,030)
Income tax expense	8	<u>(72)</u>	<u>(379)</u>
Loss for the year		<u>(145,279)</u>	<u>(133,409)</u>

		2025	2024
	Note	HK\$'000	HK\$'000
Other comprehensive income:			
<i>Items that reclassified or may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(3,101)	(493)
Release of exchange reserve upon disposal of a subsidiary		8	–
Release of exchange reserve upon dissolution of subsidiaries		–	(1,965)
Other comprehensive income for the year, net of tax		(3,093)	(2,458)
Total comprehensive income for the year		(148,372)	(135,867)
Loss for the year attributable to:			
Owners of the Company		(145,144)	(130,130)
Non-controlling interests		(135)	(3,279)
		(145,279)	(133,409)
Total comprehensive income for the year attributable to:			
Owners of the Company		(147,681)	(132,419)
Non-controlling interests		(691)	(3,448)
		(148,372)	(135,867)
Loss per share			
	9		
Basic (<i>HK cents per share</i>)		(9.38)	(9.29)
Diluted (<i>HK cents per share</i>)		(9.38)	(9.29)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment properties		306,261	417,700
Property, plant and equipment		183,037	204,037
Goodwill		–	–
Other intangible assets		–	–
Financial assets at fair value through profit or loss (“FVTPL”)		37,393	37,255
Total non-current assets		526,691	658,992
Current assets			
Inventories		5,637	4,281
Trade and other receivables	<i>11</i>	5,308	5,945
Bank and cash balances		18,860	36,250
Total current assets		29,805	46,476
Current liabilities			
Trade and other payables	<i>12</i>	18,866	14,078
Contract liabilities		213	85
Due to related parties		12,659	13,480
Secured bank borrowings		100,784	104,489
Convertible notes		–	7,279
Other borrowings		5,600	1,707
Current tax liabilities		429	236
Total current liabilities		138,551	141,354
Net current liabilities		(108,746)	(94,878)
Total assets less current liabilities		417,945	564,114
Non-current liabilities			
Other borrowings		19,084	20,705
NET ASSETS		398,861	543,409

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
CAPITAL AND RESERVES		
Share capital	16,450	14,013
Reserves	414,127	562,490
Equity attributable to owners of the Company	430,577	576,503
Non-controlling interests	(31,716)	(33,094)
TOTAL EQUITY	398,861	543,409

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with the disclosure requirements of the Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

The Group incurred a loss of approximately HK\$145,279,000 during the year ended 30 June 2025 and, as of that date, the Group had net current liabilities of approximately HK\$108,746,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors of the Company have estimated the Group’s cash requirements by preparing a Group cashflow forecast for the 18 months ending 31 December 2026. The directors of the Company are of the opinion that the Group has sufficient working capital for its present requirements, that is for 18 months ending 31 December 2026.

Notwithstanding the above conditions, the consolidated financial statements have been prepared on a going concern basis as the directors have given careful consideration to their impact on the current and anticipated future liquidity of the Group by taking into consideration the mitigating factors which include, but not limited to, the following:

- (i) The secured bank loans of approximately HK\$100,784,000 with a repayment on demand clause will be repaid in accordance with the scheduled repayment dates and the banks will not exercise their discretionary rights to demand immediate repayment;
- (ii) Gold Seal Holdings Limited, a shareholder of the Company, has agreed not to demand for repayment of the balance of approximately HK\$11,687,000 due from the Group as at 30 June 2025 until it is in a financial position to do so;
- (iii) The Group has undrawn available banking facilities of approximately HK\$65,000,000 as at 30 June 2025; and
- (iv) The Group has implemented and will continue to implement various strategies to enhance the Group’s revenue and profitability including adopting various measures to control costs.

Having taken into account the above, the directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

(a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 ("HK Int 5") (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

(b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 30 June 2025 and which have not been adopted in these financial statements. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company are in the process of making an assessment of what the impacts of these new standards, amendments to standards and interpretation are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following.

HKFRS 18 – Presentation and Disclosure in Financial Statements

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 consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

3. REVENUE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of goods	34,794	13,525
Autonomous mobile robotic solutions and related services	330	527
	<u>35,124</u>	<u>14,052</u>
Revenue from other sources		
Rental income	8,681	8,681
	<u>43,805</u>	<u>22,733</u>
Timing of revenue recognition within the scope of HKFRS 15		
Products transferred at a point in time	34,794	13,525
Services transferred over time	330	527
	<u>35,124</u>	<u>14,052</u>

4. SEGMENT INFORMATION

The Group has two operating segments as follows:

- Property investment: rental income from leasing out of investment properties; and
- Research and development: conducting research and development, software and hardware design for the manufacture and sale of a range of high technology products such as portable x-ray systems, advanced algorithm and software solutions, image sensors etc. as well as provision of autonomous mobile robotic solutions and related services.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Segment profits or losses do not include certain other income, certain other gains and losses and unallocated corporate expenses.

Information about operating segment profit or loss:

	Property investment HK\$'000	Research and development HK\$'000	Total HK\$'000
Year ended 30 June 2025:			
Revenue from external customers	<u>8,681</u>	<u>35,124</u>	<u>43,805</u>
Segment loss	<u>(105,320)</u>	<u>(6,739)</u>	(112,059)
Unallocated expenses			(21,910)
Unallocated income			<u>(11,238)</u>
Consolidated loss before tax			<u>(145,207)</u>
Interest expense	1,562	144	1,706
Depreciation and amortisation	–	411	411
Other material items of income and expense:			
Cost of sales and service	1,290	19,144	20,434
Staff costs	–	11,712	11,712
Other material non-cash items:			
Fair value losses on investment properties	111,439	–	111,439
	Property investment HK\$'000	Research and development HK\$'000	Total HK\$'000
Year ended 30 June 2024:			
Revenue from external customers	<u>8,681</u>	<u>14,052</u>	<u>22,733</u>
Segment loss	<u>(95,458)</u>	<u>(13,800)</u>	(109,258)
Unallocated expenses			(22,718)
Unallocated income			<u>(1,054)</u>
Consolidated loss before tax			<u>(133,030)</u>
Interest expense	136	148	284
Depreciation and amortisation	–	523	523
Other material items of income and expense:			
Cost of sales and service	1,237	7,905	9,142
Staff costs	–	14,019	14,019
Other material non-cash items:			
Fair value losses on investment properties	100,300	–	100,300

Information about operating segment assets and liabilities is not provided to the Chief Executive Officer, being the chief operating decision maker, therefore, segment assets and liabilities are not presented.

Reconciliation of segment loss from operations:

	2025 HK\$'000	2024 HK\$'000
Total loss of reportable segments	(112,059)	(109,258)
Unallocated amounts:		
Other income	46	100
Other gains and losses	(11,284)	(1,154)
Administrative and other operating expenses	(21,910)	(22,718)
	<u>(145,207)</u>	<u>(133,030)</u>
Consolidated loss before tax	<u>(145,207)</u>	<u>(133,030)</u>

Geographical information:

The Group's revenue from external customers by location of operations is detailed below:

	Revenue 2025 HK\$'000	2024 HK\$'000
Hong Kong	8,681	8,681
Finland	32,220	13,147
Others	2,904	905
	<u>43,805</u>	<u>22,733</u>
Consolidated total	<u>43,805</u>	<u>22,733</u>

The Group's non-current assets (other than certain property, plant and equipment) are mainly located in Hong Kong.

Revenue from major customers:

	2025 HK\$'000	2024 HK\$'000
Property investment segment		
Customer a	8,681	8,681
Research and development segment		
Customer b	7,726	1,329
Customer c	5,181	2,046
Customer d	3,865	1,768
	<u>17,372</u>	<u>5,194</u>

5. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Government grants received (<i>note</i>)	–	43
Bank interest income	480	244
Others	150	27
	<u>630</u>	<u>314</u>

Note: During the year ended 30 June 2024, the Group recognised government grants of approximately HK\$43,000 represented immediate financial support granted by the local government to a subsidiary operating in Finland.

6. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Fair value losses on investment properties	(111,439)	(100,300)
Fair value gains on financial assets at FVTPL	138	737
Fair value gains on convertible notes	3,448	3,831
Gain on dissolution of subsidiaries	–	4,934
Impairment on property, plant and equipment	(15,841)	(6,398)
Loss on disposal of a subsidiary	(85)	–
Loss on disposal of property, plant and equipment	–	(38)
Net foreign exchange gains	1,273	676
	<u>(122,506)</u>	<u>(96,558)</u>

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings	5,995	5,429
Interest on other borrowings	144	148
	<u>6,139</u>	<u>5,577</u>

8. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	141	319
(Over)/under-provision in prior year	(69)	60
	<u>72</u>	<u>379</u>

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying Group entity established in Hong Kong will be taxed at 8.25% (2024: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2024: 16.5%). The profits of the Group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5% (2024: 16.5%).

The People's Republic of China Enterprise Income Tax has been provided at a rate of 25% (2024: 25%).

Tax charges on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

9. LOSS PER SHARE

Basic loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of approximately HK\$145,144,000 (2024: HK\$130,130,000) and the weighted average number of ordinary shares of 1,546,826,985 (2024: 1,401,371,757) in issue during the year.

For the years ended 30 June 2025 and 2024, the weighted average number of ordinary shares for the purpose of calculating basic loss per share has taken into account the conversion of the Company's outstanding Convertible Notes into new conversion shares on 25 November 2024 and ordinary shares cancelled in January 2024 respectively.

Diluted loss per share

The conversion of the Company's outstanding Convertible Notes would be anti-dilutive before the exercise of the conversion rights for the year ended 30 June 2025. The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of those share options were higher than the average market price for shares for the year ended 30 June 2025. Diluted loss per share was same as the basic loss per share for the years ended 30 June 2025.

The conversion of the Company's outstanding Convertible Notes would be anti-dilutive during the year ended 30 June 2024. The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of those share options were higher than the average market price for shares for the year ended 30 June 2024. Diluted loss per share was same as the basic loss per share for the years ended 30 June 2024.

10. DIVIDEND

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

11. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	908	2,618
Other receivables	2,110	1,582
Deposits	1,307	1,108
Prepayments	983	637
	<u>5,308</u>	<u>5,945</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days from the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The ageing analysis of trade receivables, based on the invoice date, is as follows:

	2025 HK\$'000	2024 <i>HK\$'000</i>
0 – 90 days	908	2,183
91 – 180 days	–	286
Over 365 days	–	149
	<u>908</u>	<u>2,618</u>

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2025 HK\$'000	2024 <i>HK\$'000</i>
HK\$	–	723
Vietnamese Dong	94	–
Euro (“EUR”)	<u>814</u>	<u>1,895</u>
	<u>908</u>	<u>2,618</u>

12. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 <i>HK\$'000</i>
Trade payables	1,343	598
Accruals	5,255	3,182
Rental deposits received	3,969	3,969
Other payables	<u>8,299</u>	<u>6,329</u>
	<u>18,866</u>	<u>14,078</u>

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	2025 HK\$'000	2024 <i>HK\$'000</i>
0 – 90 days	<u>1,343</u>	<u>598</u>

The carrying amounts of the Group's trade payables are denominated in EUR.

EXTRACTS OF INDEPENDENT AUDITOR’S REPORT

The following is an extract from the independent auditor’s report on the consolidated financial statements of the Group for the year ended 30 June 2025 which has included an emphasis of matter paragraph for material uncertainty in relation to going concern, but without modification of opinion.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the consolidated financial statements, which indicates that the Group incurred a loss of approximately HK\$145,279,000 during the year ended 30 June 2025 and, as of that date, the Group had net current liabilities of approximately HK\$108,746,000. As stated in note 2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

DIVIDEND

The Directors of the Company do not recommend the payment of a final dividend (2024: nil).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting to be held on Thursday, 4 December 2025, the register of members of the Company will be closed from Monday, 1 December 2025 to Thursday, 4 December 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attendance and voting at the forthcoming annual general meeting of the Company, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 28 November 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activities of the Group are property investment and research and development of high technology system and applications.

BUSINESS REVIEW AND PROSPECTS

The Group recorded a loss of approximately HK\$145 million as compared to a loss of approximately HK\$133 million for the corresponding period in 2024. The loss was primarily attributable to a fair value decrease of approximately HK\$111 million on the Group’s investment properties, together with an impairment charge of HK\$16 million on leasehold land and buildings.

Property investment

Turnover of the Group for the year ended 30 June 2025 comprising rental income from its investment properties amounted to approximately HK\$9 million (2024: HK\$9 million).

The Group will continue to seek and explore investment opportunities to strengthen its investment portfolios.

Development of high technology products

The Group is actively developing next-generation technology applications, encompassing imaging, surveillance, navigation, and advanced semiconductor processing. The Group has made considerable investments to date, reflecting our strategic focus on sustainable development. Looking ahead, further investment is anticipated as we continue to build long-term value for our shareholders and stakeholders. As the Group continues to mature, we expect the sales of various technological products and systems we have developed to either continue or commence in the near future. Our goal is for the technology division to become a significant contributor to the Group's revenue by the end of the decade.

The three major subsidiaries of the Company in our technology division are engaged in the following areas of technological development:

Pexray Oy – a non-wholly owned subsidiary, based in Espoo, Finland is engaged in the development of portable, digital x-ray inspection devices for industrial and security applications. Industrial business area focuses on non-destructive testing (NDT) of critical structures. Most typical applications being weld inspection, corrosion inspection and other structural inspections.

Security business consists of EOD and IED operations and to some extent counterintelligence applications in such areas on the detection of explosive devices, baggage scanning, border control and customs, forensic investigation and security at large scale sporting and other events.

The total sales for the year ended 30 June 2025 was approximately HK\$32 million.

The major products are focusing on portable x-ray devices intended for security and NDT applications as follows:

- Security product line:

The first sales was in August 2019. Pexray Oy has released multiple enhancements to increase product quality and customer satisfaction.

- NDT product line:

The first sales was in September 2020. Multiple new products, accessories and SW features have been released to support products and to meet customer demand.

Pexray released a novel battery operated, portable X-ray source in 2022. First shipments were made in April 2022. The new generator is a complimentary product for both Security and NDT markets. The generator is sold as a stand-alone product in NDT market and is one of the company's growth drivers.

Overall NDT sales dominate over security sales. Growth in fiscal year 2024-2025 and 2025-2026 was and will be strongly driven by NDT sales.

Navigs Oy – a non-wholly owned subsidiary, based in Espoo, Finland. Navigs Oy is at the forefront of R&D in state-of-the-art GNSS and image-based positioning. While these solutions are integral for autonomous, semi-automated agricultural machinery and advanced driver-assist systems to optimize precision farming, their applications extend far beyond agriculture. They are also engineered to be compatible with a variety of off-highway industrial vehicles and have uses in marine navigation systems as well as drones. The product portfolio includes IPESSA Tiny, IPESSA Base Station, IPESSA Nano, IPESSA Yaw Bar, and IPESSA RTK-VINS. Owing to presence in select exhibitions, the company has become well-known in the agricultural market, but also in other sectors, such as construction and marine.

- IPESSA Tiny is a cost-efficient positioning solution ideal for various autonomous applications like precision farming and heavy working machines. It operates on a dual-antenna satellite receiver coupled with inertial sensing and is equipped with a global narrowband cellular modem. Prototyping wrapped up in early 2021. Customer pilots faced delays due to chip shortages but were finalized in first half of 2022 across Finland, Europe, and Turkey.
- IPESSA Base Station is based on IPESSA Tiny but features the capability of providing RTK correction data to moving vehicles (rovers). The RTK correction data is an essential enabler for achieving centimeter-level positioning accuracy. IPESSA Base Station also includes a UHF radio for sending the data to the rovers. The first base station was delivered in December 2023.
- IPESSA Nano is a compact positioning module, perfect for size-sensitive applications like drones and compact AGVs. It runs on a dual-antenna satellite receiver and an inertial measurement unit (IMU). However, Nano comes with a more limited feature set compared to Tiny. Hardware and mechanical prototypes rolled out in late 2021, but software development encountered delays attributable to resource constraints. First IPESSA Nano units were shipped to customers during the fiscal year 2023-24.
- IPESSA Yaw Bar is a high-end positioning device, fine-tuned for marine use-cases. It features an optional fiber optic gyroscope (FOG) for top-tier orientation sensing, essential for GNSS-independent North Finding in certain marine scenarios. Like Tiny and Nano, Yaw Bar utilizes similar GNSS receivers and inertial sensors. The IMO (International Maritime Organization) hasn't approved RTK corrections for marine vessels, so the initial market focus is on non-SOLAS ships like fishing boats and utility vessels. The sales of the entry-level version of the IPESSA Yaw Bar with MEMS-based inertial sensors have commenced.

- IPESSA RTK-VINS leverages the core tech of both Tiny and Nano, augmented with a visual inertial navigation system (VINS). This hybrid approach enhances positioning accuracy and robustness in GNSS-challenged environments, making it highly applicable for various UGV, AGV and drone contexts. The RTK-VINS system is a joint venture with Dynim Oy, see below for details about the different product versions and their status.

Dynim Oy, a non-wholly owned subsidiary based in Espoo, Finland, is actively developing the RTK VINS series in collaboration with its sister companies: Navigs Oy, Crearo, Pixon, and Techvico. By leveraging shared resources and expertise, Dynim is accelerating the development and commercialisation of advanced platforms that provide positioning, sensing and connectivity capabilities as an all in one solution for various products.

RTK VINS Project Portfolio:

1) RTK VINS AI

A high-performance NVIDIA-based platform designed for Autonomous navigation/Robotics applications, featuring:

- Camera Options: Triple-camera setup (stereo + high-resolution RGB) and dual-camera configuration.
- Integrated Sensors: IMU, magnetometer, gyroscope, accelerometer, and RTK module.

Development Status:

- The Nvidia Board prototype faced stereo sync and driver issues now being resolved, with an STM board solution in testing; first release is targeted for Q4 2025.

2) RTK VINS Lite

A Qualcomm-based solution optimized for real-time positioning and IoT applications, featuring:

- Camera Options: Triple-camera setup (stereo + high-resolution RGB) and dual-camera configuration.
- Integrated Sensors: IMU, magnetometer, gyroscope, accelerometer, and Quectel LG69T RTK module.

Development Status:

- The Quectel board dropped its Ubuntu version due to 5G incompatibility and costs; the finalized Android version is proceeding to a new 3-month manufacturing cycle.

3) **RTK VINS Dual Core**

An STM-based navigation platform designed for lightweight, high-efficiency applications, featuring:

- Camera Options: Single-camera and dual-camera configurations.
- Integrated Sensors: IMU and RTK module.

Development Status:

- The STM board has been manufactured and tested; first versions will be sent in Q3 2025 to Kindhelm and Dynim VN for further testing and development.

Business Strategy & Market Approach

The RTK VINS platforms and products will be marketed under the Dynim brand in the EU market. Dynim is also actively scaling its engineering team in Vietnam to support ongoing development.

Business Model:

- Platform & Product Sales: Offering RTK-enabled navigation solutions across multiple industries.
- Engineering Services: Providing customization, integration, and support for robotics, automation, and AI applications.

Through this strategic collaboration, Dynim aims to deliver high-precision, scalable solutions for next-generation autonomous systems.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, net current liabilities of the Group were approximately HK\$109 million. The current ratio, current assets divided by current liabilities, was 0.22. The bank balances and cash were approximately HK\$19 million.

As at 30 June 2025, the Group has outstanding liabilities of approximately HK\$158 million comprising (i) trade and other payables of approximately HK\$19 million, (ii) amounts due to related parties of approximately HK\$13 million, (iii) secured bank borrowings of approximately HK\$101 million, other borrowings and liabilities of approximately HK\$25 million. Secured bank borrowings are on floating interest rates basis.

The majority of the Group's assets and borrowings are denominated in Hong Kong dollars. The directors consider that the Group has no significant exposure to exchange fluctuation and does not hedge against foreign exchange risk.

The Group's bank borrowings were secured by investment properties and leasehold land and buildings of approximately HK\$162 million and HK\$164 million respectively.

The Group's gearing ratio, total debts divided by total assets, was approximately 28%.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

During the year ended 30 June 2025, the Group had no material acquisitions and disposals of subsidiaries.

As at 30 June 2025, the Group had no material investment.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed total of 43 employees. They were remunerated according to market conditions.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any significant contingent liabilities.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the year ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Company's listed shares.

ISSUE OF NEW SHARES ON REDEMPTION OF CONVERTIBLE NOTES

The Company issued an Offering Circular in 2014 relating to an open offer of Convertible Notes, followed by another Offering Circular in 2017 for a further open offer of Convertible Notes. More details regarding the Convertible Notes can be found in these circulars.

The Convertible Notes matured on 23 November 2024 and, in accordance with their terms, were not repaid in cash but were instead settled through the issuance of Conversion Shares. On 25 November 2024, the outstanding Convertible Notes were converted into 243,661,670 new Conversion Shares, credited as fully paid, were issued.

BOARD DIVERSITY AND COMPLIANCE WITH LISTING RULES

Pursuant to Rule 13.92 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, a single-gender board does not meet the diversity requirement. Accordingly, issuers with a single-gender board are required to appoint at least one director of a different gender by no later than 31 December 2024.

To ensure compliance with the Listing Rules, the Company remains committed to identifying and appointing a suitable candidate to fill the required board position as soon as practicable. The selection process will be conducted with due diligence and in accordance with the relevant Listing Rules.

UPDATE ON THE STOCK EXCHANGE'S DECISION REGARDING LISTING RULE 13.24

On 15 November 2024, the Company received a letter from the Listing Division of the Stock Exchange (the "Listing Division") stating, among other things, that the Listing Division has determined the Company has failed to maintain a sufficient level of operations and assets of adequate value, as required under Listing Rule 13.24. As a result, trading in the Company's shares should be suspended under Listing Rule 6.01(3).

In an announcement dated 25 November 2024, the Company reported its decision not to apply for a review of this determination. Consequently, trading in the Company's shares on the Stock Exchange has been suspended since 27 November 2024 and will remain suspended until further notice.

Pursuant to Listing Rule 6.01A, the Company has 18 months from 27 November 2024 to take the necessary actions to demonstrate compliance with Listing Rule 13.24. If the Company fails to do so within this period, the Stock Exchange may cancel the listing of its shares.

The Company will provide further announcements as appropriate in compliance with the Listing Rules.

REVIEW OF FINAL RESULTS

The Audit Committee has reviewed the annual results of the Group for the year ended 30 June 2025.

CORPORATE GOVERNANCE

The board of directors of the Company (the “Board”) believes that corporate governance is essential to the success of the Company. During the year ended 30 June 2025, the Company has complied with all the code provisions in the Corporate Governance Code (the “Code”) set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, save and except as disclosed below:

- under the code provision B.1.5, the Company has adopted a board diversity policy to ensure an appropriate balance of skills, experience, and diversity on the Board. The policy sets out the Company’s commitment to achieving gender diversity. While a suitable female director has not yet been identified, the Board continues to make efforts in this regard and will comply with the policy requirements upon the appointment of a suitable candidate.
- under the code provision C.1.5, independent non-executive directors and other non-executive directors should attend general meetings of the Company. Certain independent non-executive directors of the Company were unable to attend the annual general meeting of the Company as they had other business commitment.
- under the code provision C.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. Dr. Oung Shih Hua, James is the Chairman of the Company and the Company currently does not appoint Chief Executive Officer. In the opinion of the Board, Dr. Oung temporarily acts as the role of the Chief Executive Officer. The Board considers that the present structure provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The annual results announcement is available for viewing on the website of the Stock Exchange and on the website of the Company at <http://www.paladin495.com>. The annual report of the Company will be despatched to the shareholders of the Company in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 27 November 2024 and shall remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Oung Shih Hua, James
Chairman

Hong Kong, 29 September 2025

At the date of this announcement, the Chairman and executive director of the Company is Dr. Oung Shih Hua, James; the non-executive directors of the Company are Mr. Yuen Chi Wah and Mr. Chan Chi Ho; and the independent non-executive directors of the Company are Dr. Au Chik Lam Alexander, Mr. Liu Man Kin Dickson and Mr. Luo Rongxuan.