Pangaea Connectivity Technology Limited
環聯連訊科技有限公司

(Incorporated in the Cayman Islands with limited liability)
（於開曼群島註冊成立的有限公司）

Stock code 股份代號：1473

2025
INTERIM REPORT
中期報告

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Fung Yui Kong (馮鋭江)
Ms. Leung Kwan Sin Rita (梁筠倩)
Dr. Wong Wai Kong (黃偉桄)

Independent Non-Executive Directors

Mr. Chan Hiu Fung Nicholas (陳曉峰)
(Resigned with effect from 1 July 2025)
Mr. Ling Kwok Fai Joseph (凌國輝)
Mr. Kam, Eddie Shing Cheuk (甘承倬)
Mr. Ng Sing Yip (伍成業)
(Appointed with effect from 1 July 2025)

AUDIT COMMITTEE

Mr. Kam, Eddie Shing Cheuk (甘承倬)
(Chairman)
Mr. Ling Kwok Fai Joseph (凌國輝)
Mr. Chan Hiu Fung Nicholas
(Resigned with effect from 1 July 2025)
Mr. Ng Sing Yip (伍成業)
(Appointed with effect from 1 July 2025)

REMUNERATION COMMITTEE

Mr. Ling Kwok Fai Joseph (凌國輝)
(Chairman)
Ms. Leung Kwan Sin Rita (梁筠倩)
Mr. Kam, Eddie Shing Cheuk (甘承倬)

NOMINATION COMMITTEE

Mr. Chan Hiu Fung Nicholas (陳曉峰)
(Chairman)
(Resigned with effect from 1 July 2025)
Mr. Ng Sing Yip (伍成業)
(Chairman)
(Appointed with effect from 1 July 2025)
Mr. Fung Yui Kong (馮鋭江)
(Ceased to be a member with effect from 1 July 2025)
Mr. Ling Kwok Fai Joseph (凌國輝)
Ms. Leung Kwan Sin Rita (梁筠倩)
(Appointed with effect from 1 July 2025)

RISK MANAGEMENT COMMITTEE

Mr. Fung Yui Kong (馮鋭江) *(Chairman)*
Ms. Leung Kwan Sin Rita (梁筠倩)
Dr. Wong Wai Kong (黃偉桄)

COMPANY SECRETARY

Dr. Wong Wai Kong (黃偉桄)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

COMPANY WEBSITE

www.pangaea.com.hk

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 902–6, 9/F
Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

STOCK CODE

The Stock Exchange of Hong Kong Limited: 01473

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the "**Board**") of directors (the "**Directors**") of Pangaea Connectivity Technology Limited (the "**Company**") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2025 (the "**Period**"). The condensed interim financial information is not audited but has been reviewed by the audit committee of the Company (the "**Audit Committee**").

BUSINESS REVIEW

Market Review

In 2025, the AI HPC market thrives globally, leveraging advanced computing clusters for innovation with an ethical focus, as Asia leads manufacturing integration while Southeast Asia accelerates digital transformation, achieving a 20% CAGR through 2034 due to edge computing and semiconductor investments ("McKinsey & Company, Q3 2025"). Meanwhile, AIoT grows at a 31.7% CAGR by merging AI with IoT for predictive maintenance, with Asia pioneering industrial applications and Southeast Asia advancing smart cities through edge computing ("Gartner, 2025"). Additionally, Back Contact (BC) solar batteries utilize industrial lasers for efficient patterning, with China dominating production driven by a 7% CAGR ("Bloomberg, 2025"), a similarly upward trend is also seen for PCB and semiconductor manufacturing, which rely on laser precision for high-tech output. Lastly, WiFi8 emerges for ultra-low latency IoT, complementing 5G's expansion, led by Asia's and Southeast Asia's connectivity investments. These markets drive technological convergence, enabling sustainable energy, efficient chip production, and next-generation connectivity, fostering economic growth and innovation, and this completes a powerful market landscape that our product portfolio is uniquely positioned to address.

Business Review

Building on the strong momentum from the last financial year, the unaudited interim report for the six months ended 30 September 2025 has seen significant growth and demonstrated exceptional performance and strategic alignment, which positions the Group at the convergence of several high-growth technology megatrends. Our AI HPC business sector has been the standout performer. Sales of our 800G/1.6T LPO solutions have gained substantial traction, as they are increasingly integrated to build AI-optimised HPC servers. This directly addresses the exponential demand for AI infrastructure. Our high-power laser division has also seen robust growth, capitalizing on the industry's shift towards superior BC solar technology and more efficient PCB and semi-conductor manufacturing processing. Furthermore, early engagements on our WiFi8 solutions with hyperscale providers underscore our leadership in next-generation wireless. This performance across all three segments — AI-enabled optical networking, industrial laser processing, and next-generation wireless — validates our strategic focus and technological edge.

Prospects

Our outlook for the remainder of the financial year and beyond is profoundly optimistic. The fundamental demand drivers in AI, green energy, and advanced wireless are stronger than ever. The most significant development this year is the advanced discussion regarding a potential strategic collaboration with Mile Green Co Limited as detailed in our supplemental announcement made. This transformative strategic partnership is not a pivot from our core business but a strategic extension of it. Connectivity, HPC, and AIoT solutions form the foundational digital infrastructure required for asset tokenization. Our technology enables secure data transmission, complex cryptography, and intelligent data flow from IoT sensors that underpin a credible RWAs (Real World Assets) ecosystem. This collaboration positions Pangaea at the centre of an emerging market, providing a channel to deploy our core connectivity solutions to a new network of third-party participants while gaining low-risk, firsthand experience in a disruptive field, and promises to create significant long-term value by diversifying our revenue streams and solidifying our role as an enabler of the digital economy.

FINANCIAL REVIEW

Revenue

Revenue comprises sales of goods and rendering of services.

Revenue from sales of goods accounted for approximately 99.4% (2024: 99.6%) of the Group's total revenue for the Period. Revenue from the rendering of services mainly represented income derived from providing administrative and support services to customers. During the Period, the Company generated a substantial portion of its revenue from customers in the PRC.

Revenue from sales of goods increased from approximately HK$1,016.7 million for the six months ended 30 September 2024 to approximately HK$1,048.5 million for the Period, mainly due to the increase in market demand for artificial intelligence (AI) products.

Cost of sales

Cost of sales mainly comprises cost of goods which represents cost of products purchased from suppliers.

Gross profit margin

Gross profit margin was approximately 9.9% for the Period, as compared to approximately 9.6% for the six months ended 30 September 2024. Such increase was mainly due to an increase in demand and price of the Group's products in the market.

Other income and gains, net

Other income and gains of approximately HK$3.0 million (2024: HK$3.5 million) mainly represented bank interest income, fair value gain on valuation of financial assets, write-back of impairment on trade receivables and sundry income. The decrease in other income and gains of HK$0.5 million during the Period as compared to the corresponding period last year was mainly due to the decrease in exchange gain of approximately HK$0.4 million due to depreciation of the Renminbi, the decrease in sundry income of approximately HK$0.2 million and the decrease in bank interest income of approximately HK$0.1 million for the Period, which was partly offset by the write-back of impairment on trade receivables of approximately HK$0.2 million for the Period.

Selling and distribution costs

The selling and distribution costs of approximately HK$22.1 million (2024: approximately HK$20.7 million) mainly included marketing and sales staff salaries, transportation, freight charges, declaration, consultancy fees and research and development expenses. The selling and distribution costs increased by approximately HK$1.4 million or 6.7% from the corresponding period last year, which was mainly attributable to the increase in salaries of approximately HK$0.9 million and an increase in transportation expenses of approximately HK$0.6 million resulting from the increase in revenue during the Period as mentioned above.

Administrative expenses

Administrative expenses of approximately HK$56.0 million (2024: approximately HK$48.2 million) primarily consisted of salaries and benefits (including Directors' emoluments), insurance, operating lease and other premise fees, bank charges, entertainment and depreciation expenses. The administrative expenses increased by approximately HK$7.8 million or 16.1% for the Period, which was mainly due to the combined effect of (i) the increase in salaries and staff benefits in aggregate of approximately HK$2.2 million resulting from the increase in salaries, bonus payments and the number of staff during the Period; (ii) the system security and implementation expenses of approximately HK$3.4 million; (iii) the increase in depreciation of approximately HK$1.5 million mainly due to the acquisition of new equipment and (iv) the increase in professional fees of HK$1.2 million mainly attributable to the tax consultancy expenses and the management fee for a new overseas office during the Period.

Finance costs

The Group's finance costs of approximately HK$10.7 million (2024: approximately HK$15.2 million) mainly represented interest expenses on its bank borrowings during the Period. The Group incurred interest on bank borrowings of approximately HK$10.5 million for the Period as compared to approximately HK$15.0 million for the corresponding period last year. The decrease in interest on bank borrowings was mainly due to the decrease in interest rate during the Period and the reduction of total bank borrowing from HK$262.6 million as at 30 September 2024 to HK$181.4 million as at 30 September 2025 due to the enhancement of cost and working capital control measures during the Period as well as an increase in working capital from operating profits and the placing of new shares during the Period.

Taxation

Taxation of the Group for the Period mainly comprised current income tax expense of approximately HK$2.8 million (2024: HK$2.4 million).

Net profit for the Period

Net profit for the Period amounted to approximately HK$15.4 million as compared to net profit of approximately HK$14.6 million for the six months ended 30 September 2024. The increase in profit was principally attributable to the net effect of the factors mentioned above, including (a) an increase in revenue; (b) an increase in gross profit margin as a result of an increase in market demand; (c) a decrease in other income and gains, net; (d) an increase in selling and distribution costs; (e) an increase in administrative expenses; (f) a decrease in finance costs; and (g) an increase in taxation expenses.

LIQUIDITY AND FINANCIAL RESOURCES

During the Period, the Group met its liquidity requirements principally through a combination of internal resources and bank borrowings. The Group's cash resources as at 30 September 2025 were approximately HK$75.6 million (31 March 2025: HK$64.1 million). They were mainly denominated in Hong Kong dollar and Renminbi. As at 30 September 2025, the Group's total outstanding bank borrowings amounted to approximately HK$181.4 million (31 March 2025: HK$296.5 million) which comprised mainly bank factoring loans, import loans, trust receipts loans and revolving loans. The

Group's bank borrowings which were unrestricted with a clause of repayment on demand are classified as current liabilities. The bank borrowings were denominated in Hong Kong dollar and United States ("**US**") dollar and were subject to interest at floating commercial lending rates.

As at 30 September 2025, the Group's total cash and cash equivalents and pledged bank deposits amounted to approximately HK$191.9 million (31 March 2025: HK$180.4 million) and the Group's total bank borrowings amounted to approximately HK$181.4 million (31 March 2025: HK$296.5 million). By netting off the cash and cash equivalents and pledged bank deposits and total bank borrowings, the Group has a net surplus of cash of approximately HK$10.5 million as at 30 September 2025 (31 March 2025: net bank borrowings of HK$116.1 million).

The Group's gearing ratio (defined as the total interest-bearing borrowings net of cash and cash equivalents and pledged bank deposits divided by total equity and multiplied by 100%) decreased from approximately 47.6% as at 31 March 2025 to approximately -3.7%, which represents a net surplus of cash of approximately HK$10.5 million after netting off of all the bank borrowings as at 30 September 2025, mainly due to the decrease in bank borrowing resulting from the increase in trade payables of approximately HK$40.4 million and the decrease in trade and bills receivables of approximately HK$48.4 million as well as an increase in working capital from operating profits and the placing of new shares during the Period, which was partly offset by the increase in inventories of approximately HK$8.1 million.

The Group had no significant contingent liabilities as at the end of the Period. The Group has sufficient cash and available banking facilities to meet its commitments and working capital requirements.

TREASURY POLICIES AND FOREIGN CURRENCY EXPOSURE

The Group's financial statements are presented in Hong Kong dollars. The Group carries out its business transactions mainly in Hong Kong dollars, US dollars and Renminbi. As the Hong Kong dollar remains pegged to the US dollar, there is no material exchange risk in this respect. As the portion of Renminbi revenue is insignificant, there is no material exchange risk in this respect. The Group currently does not have any interest rate hedging policy. However, the management monitors the Group's exposure to interest rate risk on an ongoing basis and will consider hedging interest rate risk should the need arise. Credit risk was hedged mainly through credit policy and factored to external financial institutions.

CAPITAL EXPENDITURE AND COMMITMENTS

During the Period, the Group invested approximately HK$0.5 million (2024: approximately HK$0.2 million) in capital expenditure mainly for office equipment, furniture and fixtures and leasehold improvements.

The Group did not have any material capital commitments as at 30 September 2025 (31 March 2025: Nil).

CONTINGENT LIABILITIES

As at 30 September 2025, the Group did not have any material contingent liabilities (31 March 2025: Nil).

CHARGES ON ASSETS

As at 30 September 2025, certain bank borrowings of the Group were secured by:

(i) the pledge of the Group's bank deposits amounting to HK$116.3 million (31 March 2025: HK$116.2 million);

(ii) the pledge of investments in life insurance policies of Mr. Fung Yui Kong, amounting to HK$19.5 million (31 March 2025: HK$19.2 million);

(iii) trade and bills receivables of HK$37.6 million (31 March 2025: HK$97.3 million); and

(iv) corporate guarantees from the Company of up to HK$1,189.7 million (31 March 2025: HK$1,563.7 million).

SIGNIFICANT INVESTMENT

The Group had no significant investment with a value of 5% or more of the Group's total assets as at 30 September 2025.

ISSUE FOR CASH OF EQUITY SECURITIES OR SALE OF TREASURY SHARES

On 22 July 2025, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent has conditionally agreed to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 199,000,000 new ordinary shares of par value of HK$0.01 each in the share capital of the Company (each a "**Placing Share**") at the placing price of HK$0.180 per Placing Share. The placing shares have been allotted and issued pursuant to the general mandate. An aggregate of 199,000,000 Placing Shares (with an aggregate nominal value of HK$1,990,000) have been successfully placed to not less than six placees, who are all independent third parties, on 13 August 2025. The directors are of the view that the placing would enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the placing would raise additional long term funds for future development of the Group and strengthen the Group's financial position. The closing price of the shares of the Company as quoted on the Stock Exchange on the date of the placing agreement was HK$0.217.

The gross proceeds from the placing were approximately HK$35.8 million and the net proceeds were approximately HK$35.3 million, representing a net issue price of approximately HK$0.177 per Placing Share. The net proceeds were proposed to be applied as to approximately 85.0% (i.e. approximately HK$30.0 million) for pursuing business opportunities in AI technology-related areas and as to approximately 15.0% (i.e. approximately HK$5.3 million) for general working capital of the Group for general corporate purposes. It is expected that the net proceeds allocated for the general working capital of the Group will be utilised by 30 June 2026 and those allocated for business opportunities in AI technology-related areas will be utilised by 30 June 2027. As at the date of this report, the net proceeds in the amount of HK$5.3 million have been used for general working capital of the Group for general corporate purpose as intended, and the remaining HK$30.0 million are expected to be used as intended according to the above timeline.

Further information of this placing can be found in the Company's announcements dated 23 July 2025, 7 August 2025 and 13 August 2025.

Save for the above, there was no equity fund raising activity nor was there any sale of treasury shares by the Company during the Period.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, the Group had 131 employees (31 March 2025: 122 employees). Salaries of employees are maintained at a competitive level and reviewed annually, with close reference to individual performance, working experience, qualifications, and current relevant industry practices. Apart from basic salary and the statutory provident fund scheme, discretionary bonuses and share options may be granted to selected staff by reference to the Group's as well as the individual's performance. Other benefits such as on-the-job and external training to staff are also provided. The Group has not experienced any material dispute with its employees or disruption to its operations due to employee disputes and has not experienced any difficulties in the recruitment and retention of experienced staff or skilled personnel. The Group maintains a good relationship with its employees.

EVENTS AFTER THE END OF THE PERIOD

No matters or circumstances have occurred subsequent to the end of the Period which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state-of-affairs of the Group.

USE OF NET PROCEEDS FROM LISTING

The net proceeds received by the Company from the initial public listing of the shares of the Company on the main board of the Stock Exchange (the "**Listing**") in the amount of approximately HK$88.1 million after deducting underwriting commissions and all related expenses have been and will be used in the manner consistent with that mentioned in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 30 January 2021 (the "**Prospectus**").

The net proceeds received were applied by the Group from 19 February 2021 (i.e. the listing date) up to 30 September 2025 as follows:

Use of proceeds	Application of net proceeds as stated in the Prospectus HK$'million	Utilised amount up to 30 September 2025 HK$'million	Unused net proceeds HK$'million	Unused net proceeds %
Strengthening design and technical capabilities	57.8	17.4	40.4	69.9%
Broadening customer base by expanding the geographic reach of sales and technical support coverage	14.4	14.4	–	0%
Strengthening back office operational supports by enhancing information technology management system and recruiting IT staff	7.2	7.2	–	0%
General working capital	8.7	8.7	–	0%
	88.1	47.7	40.4	45.9%

As at 30 September 2025, the amount of unused net proceeds amounted to approximately HK$40.4 million. The unused net proceeds from the Listing are expected to be used in accordance with the Company's plan as disclosed in the Prospectus except that the original timeline for utilising the remaining net proceeds as disclosed in the Prospectus has been delayed due to, among others, the business environment being affected by the trade tension between the United States and China during the Period and the worldwide semiconductor shortage and the impacts of COVID-19, together with the restrictions and rules on border controls, lockdowns and quarantine measures in the prior years. However, 5G adoption is expected to trigger the surge of development and application of correlated communication infrastructure in the coming years, which may present a good opportunity for the Group to utilise the unused net proceeds as intended. Therefore, the Group shall regularly evaluate the market conditions for the fulfillment of the Group's future plan.

The Company hopes to utilise the net proceeds by the end of 2026, however, if market conditions are unfavorable or such timing of deployment does not align with the Group's commercial interests, the Company will defer the allocation until a more opportune time and provide an updated timeline accordingly.

DISCLOSURE OF INTEREST

(a) Interests of Directors

As at 30 September 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the Securities and Futures Ordinance (the "**SFO**"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange (the "**Model Code**"), were as follows:

(i) Long position in the shares and underlying shares of the Company

Name of Directors	Interest in shares	Interest in share option (Note 2)	Total interests	Approximate percentage of issued share capital
Mr. Fung Yui Kong (Note 1)	672,000,000	–	672,000,000	56.28
Ms. Leung Kwan Sin Rita	–	11,111,111	11,111,111	0.93
Dr. Wong Wai Kong	–	7,222,222	7,222,222	0.60
Mr. Kam Eddie Shing Cheuk	–	333,333	333,333	0.03
Mr. Ling Kwok Fai Joseph	–	333,333	333,333	0.03

Notes:

1. 650,000,000 Shares are held by Generous Horizon Limited (formerly named Generous Team Limited), a company incorporated in the British Virgin Islands with limited liability the entire issued share capital of which is legally and beneficially owned by Mr. Fung Yui Kong. 22,000,000 Shares are repurchased Shares which are held by the Company as treasury shares. By virtue of being the controlling shareholder of the Company, Generous Horizon Limited is deemed to be interested in such Shares. As such, Mr. Fung Yui Kong is deemed to be interested in the Shares in which Generous Horizon Limited is interested under Part XV of the SFO.

2. These are underlying shares which represent the share options granted by the Company from 20 April 2021 to 12 May 2021 under the share option scheme of the Company adopted on 25 January 2021, exercisable according to the schedule set out in the paragraph headed "Share Option Scheme" in this report.

(ii) Long position in the shares of associated corporation(s) of the Company

Name of Director	Name of associated corporation	Capacity	Number of share(s) held in the associated corporation	Percentage of issued share capital
Mr. Fung Yui Kong	Generous Horizon Limited	Beneficial owner	1	100

Save as disclosed above, as at 30 September 2025, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of substantial shareholders

As at 30 September 2025, so far as is known to the Directors, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholders	Nature of interest	No. of shares held	Percentage of issued share capital
Generous Horizon Limited	Beneficial owner	672,000,000 (L) (Note 1)	67.54
Ms. Lam Esther W.	Interest of spouse	672,000,000 (L) (Note 2)	67.54
Mass Gravity Limited	Beneficial owner	110,600,000 (L) (Note 3)	9.26
Hui Yau Kin	Interest of controlled corporation	49,770,000 (L) (Note 3)	4.17
Chan Wing Chee Gigi	Interest of controlled corporation	49,770,000 (L) (Note 3)	4.17

(L) denotes long position

Notes:

1. Generous Horizon Limited (formerly named Generous Team Limited) is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is legally and beneficially owned by Mr. Fung Yui Kong.

2. Ms. Lam Esther W. is the spouse of Mr. Fung Yui Kong. As such, she is deemed to be interested in the shares in which Mr. Fung Yui Kong is interested under Part XV of the SFO.

3. According to the disclosure of interest forms, these Shares are held by Mile Green Co Limited, a controlled corporation of Mass Gravity Limited, which is in turn owned as to 50% by Mr. Hui Yau Kin and as to 50% by Nam Holdings Limited, a company wholly-owned by Ms. Chan Wing Chee Gigi. To the best knowledge, information and belief of the Directors, based on information on the database of the Companies Registry, Mile Green Co Limited is owned as to 90% by Mass Gravity Limited and as to 10% by Mr. Chatchaval Jiaravanon.

Save as disclosed above, as at 30 September 2025, the Directors were not aware of any other person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Share Option Scheme**") for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which the Group holds an equity interest (the "**Invested Entity**"). Eligible participants of the Share Option Scheme include the Directors, including executive, non-executive and independent non-executive Directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any consultant, adviser, manager, officer or entity that provides research, development or other technological support to the Group or any Invested Entity, any person who, in the sole discretion of the Board, has contributed or may contribute to the Group or any Invested Entity eligible for options under the Share Option Scheme (the "**Eligible Participant**"). The Share Option Scheme became effective on 25 January 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 100,000,000 shares, being 10% of the total number of shares in issue as at the effective date of the Share Option Scheme, unless the Company obtains the approval of the shareholders in general meeting for renewing the 10% limit (the "**Scheme Mandate Limit**") under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded. The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of shares in issue from time to time.

No option shall be granted to any Eligible Participant if any further grant of options would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including both exercised and outstanding options) in the 12-month period up to and including the date of such further grant exceeding 1% of the total number of shares in issue.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

An offer of grant of an option may be accepted by an Eligible Participant within 21 days from the date upon which it is made or within such other period of time as may be determined by the Board pursuant to the Listing Rules, by which the Eligible Participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than ten (10) years after the date of adoption of the Share Option Scheme. A consideration of HK$1.00 is payable on acceptance of the offer of grant of an option.

The exercise price of share options is determinable by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

On 20 April 2021 (the "**Date of Grant**"), the Board resolved to grant on the same date share options to the Eligible Participants to subscribe for a total of 78,464,000 ordinary shares of HK$0.01 each at the exercise price of HK$0.60 per share. Among the 78,464,000 share options granted, a total of 17,700,000 share options were granted to certain Directors in respect of their services to the Group in the forthcoming years. 38,464,000 options shall be exercisable as to 30%, 30% and 40% from the first anniversary of the Date of Grant, the second anniversary of the Date of Grant and the third anniversary of the Date of Grant, respectively, until the expiry of the validity period of the options. 40,000,000 options shall be exercisable as to 25%, 25%, 25% and 25% from the date falling 6 months, 12 months, 18 months and 24 months from the Date of Grant, respectively, until the expiry of the validity period of the options.

The number of options available for grant under the Share Option Scheme at the beginning and the end of the Period was for 28,568,000 Shares and 20,631,112 Shares (as a result of the adjustment on 13 August 2025) respectively. A total of 100,000,000 shares were available for issue under the Share Option Scheme (including both granted share options and share options available for grant) as at the date of this report, representing approximately 8.53% of the total issued shares (excluding treasury shares) of the Company.

As at 30 September 2025, the following share options granted under the Share Option Scheme were outstanding:

		Number of share options								Before adjustments (Note 5)			Closing price of the Shares	
Name or category of participant		At 1 April 2025	Granted during the period	Exercised during the period	Lapsed/ cancelled/ reclassified during the period	Balance before adjustment (Note 5)	Adjusted balance at 30 September 2025 (Note 5)	Adjusted Exercise price HK$ per share (Note 5)	Date of grant (Note 2)	Number of share options exercisable in accordance with exercise period I (Note 3)	Number of share options exercisable in accordance with exercise period II (Note 4)	Exercise price HK$ per share (Note 5)	As at date of grant HK$ per share (Note 6)	As at the date before the date of grant HK$ per share
Directors														
Ms. Leung Kwan Sin Rita	Executive Director	10,000,000	–	–	–	10,000,000	11,111,111	0.54	20 April 2021	5,000,000	5,000,000	0.6	0.59	0.59
Dr. Wong Wai Kong	Executive Director	6,500,000	–	–	–	6,500,000	7,222,222	0.54	20 April 2021	1,500,000	5,000,000	0.6	0.59	0.59
Mr. Chan Hiu Fung Nicholas	Independent non-executive Director	300,000	–	–	300,000	–	–	–	26 April 2021	–	–	–	–	–
Mr. Kam Eddie Shing Cheuk	Independent non-executive Director	300,000	–	–	–	300,000	333,333	0.54	26 April 2021	300,000	–	0.6	0.60	0.61
Mr. Ling Kwok Fai Joseph	Independent non-executive Director	300,000	–	–	–	300,000	333,333	0.54	26 April 2021	300,000	–	0.6	0.60	0.61
		17,400,000				17,100,000	18,999,999			7,100,000	10,000,000			
Employees and others in aggregate (not exceeding the 1% individual limit)		54,032,000	–	–	300,000	54,332,000	60,368,889	0.54	20 April 2021– 12 May 2021	24,332,000	30,000,000	0.6	0.59–0.74	0.59–0.74
Total number of share options		71,432,000				71,432,000	79,368,888			31,432,000	40,000,000			

Notes:

1. The relevant share options were granted under the Share Option Scheme of the Company adopted on 25 January 2021.

2. All options are exercisable during the exercise periods specified in below notes 3 and 4.

3. Exercise Period I: options shall be vested and exercisable as to 30%, 30% and 40% from the first anniversary of the Date of Grant, the second anniversary of the Date of Grant and the third anniversary of the Date of Grant respectively until the expiry of the validity period of the options.

4. Exercise Period II: options shall be vested and exercisable as to 25%, 25%, 25% and 25% from the date falling 6 months, 12 months, 18 months and 24 months from the Date of Grant respectively until the expiry of the validity period of the options.

5. The exercise price and number of the share options is subject to adjustments in the event of any alteration in the capital structure of the Company. The exercise price and number of share option have been adjusted due to the placing of new shares on 13 August 2025.

6. The price refers to the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant.

7. No information on the exercise price and the weighted average closing price of the securities immediately before the exercise date has been disclosed as there was no share option exercised during the Period.

The fair value of the share options at the Date of Grant was HK$23,875,000, of which the Group recognised a share option expense of HK$22.1 million in the prior years. No share option expense was recognised during the current Period.

The fair value of equity-settled share options granted was estimated as at the Date of Grant using a binomial option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	2.20
Expected volatility (%)	77.93–78.04
Historical volatility (%)	77.93–78.04
Risk-free interest rate (%)	1.29–1.38
Expected life of options (year)	9.94–10
Weighted average share price (HK$ per share)	0.6

The expected volatility is based on the historical volatility and is not necessarily indicative of the exercise patterns that may occur, which may not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 79,368,888 share options (before adjustment: 71,432,000) outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 79,368,888 additional ordinary shares of the Company and additional share capital and reserves of HK$794,000 and HK$42,066,000, respectively (before issue expenses).

At the date of approval of these financial statements, the Company had 79,368,888 share options outstanding under the Scheme, which represented approximately 6.77% of the Company's shares in issue as at that date (excluding treasury shares).

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period (including sale of treasury shares). As at 30 September 2025, the Company held 22,000,000 treasury shares.

CORPORATE GOVERNANCE

The Company is committed to maintaining good corporate governance practices. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancement of shareholders value. Except for the deviation from code provision C.2.1 of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Listing Rules, which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual, the Company has complied with all the code provisions set out in the CG Code.

Mr. Fung Yui Kong ("**Mr. Fung**") is the chairman of the Board and the chief executive of the Company. In view of Mr. Fung being the founder of the Group and that he has considerable experience in operating and managing the Company since 1990, the Board believes that it is in the best interest of the Group to have Mr. Fung taking up both the role of chairman and chief executive for effective management and business development. The Board considers that the balance of power between the Board and the management can still be maintained under the current structure. Therefore, the Directors consider that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstance.

Save as disclosed, the Company has applied the principles and complied with the CG Code throughout the Period.

CHANGES TO DIRECTORS' INFORMATION

Save that Mr. Ng Sing Yip has ceased to be an independent non-executive director of Ping An Insurance (Group) Company of China, Ltd. (Stock Code: 2318) with effect from 15 October 2025, there has been no change in the Directors' biographical details which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since publication of the Group's 2025 Annual Report up to 26 November 2025 (being the date of approval of this interim report).

AUDIT COMMITTEE

The Audit Committee was established on 25 January 2021 with specific terms of reference setting out the committee's authority and duties. The Audit Committee comprises three independent non-executive Directors namely Mr. Kam Eddie Shing Cheuk (Chairman), who possesses the appropriate professional qualifications or accounting or related financial management expertise, Mr. Ling Kwok Fai Joseph and Mr. Ng Sing Yip. None of the members of the Audit Committee is a former partner of the Company's existing external auditors. The Audit Committee has discussed with management the accounting policies adopted by the Group and reviewed the unaudited condensed interim financial statements of the Group for the Period before recommending them to the Board for approval.

RISK MANAGEMENT COMMITTEE

The risk management committee of the Company (the "**Risk Management Committee**") was established on 25 January 2021 with specific terms of reference setting out the committee's authority and duties. The Risk Management Committee comprises three executive Directors, namely Mr. Fung Yui Kong (Chairman), Ms. Leung Kwan Sin Rita and Dr. Wong Wai Kong. The main duties of the Risk Management Committee include, among other matters, monitoring the Company's exposure to sanctions law risks and its implementation of the related internal control procedures, with particular emphasis on the Company's risk management policies and standards and supervising and monitoring the Company's exposure to sanctions law risks. During the Period, there were no irregular findings in relation to any transactions of the Group made by the Risk Management Committee which were required to be reported to the independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct governing securities transactions by the Directors. All Directors, after specific enquiries by the Company, had confirmed to the Company their compliance with the required standards set out in the Model Code during the Period.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Period.

APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The unaudited condensed interim financial statements were approved and authorised for issue by the Board on 26 November 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 September 2025

	Notes	Unaudited For the six months ended 30 September **2025** **HK$'000**	 2024 HK$'000
REVENUE	4	**1,054,413**	1,020,762
Cost of sales		**(950,302)**	(923,120)
Gross profit		**104,111**	97,642
Other income and gains, net	4	**2,983**	3,498
Selling and distribution costs		**(22,094)**	(20,709)
Administrative expenses		**(56,019)**	(48,246)
Finance costs	5	**(10,705)**	(15,202)
PROFIT BEFORE TAX	6	**18,276**	16,983
Income tax expense	7	**(2,828)**	(2,400)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**15,448**	14,583
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (HK cents)	9	**1.51**	1.47
Diluted (HK cents)	9	**1.51**	1.47

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 September 2025

	Unaudited For the six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
Profit for the period	**15,448**	14,583
OTHER COMPREHENSIVE INCOME/(LOSS):		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
— Exchange differences on translation of a foreign operation	**427**	217
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
— Net gain/(loss) on equity investment at fair value through other comprehensive income	**(960)**	1,846
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**(533)**	2,063
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**14,915**	16,646

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	**Unaudited 30 September 2025 HK$'000**	Audited 31 March 2025 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**44,541**	49,284
Intangible asset	12	**6,469**	7,221
Financial assets at fair value through profit or loss	13	**19,495**	19,236
Equity investment at fair value through other comprehensive income	14	**11,201**	12,161
Prepayments and deposits		**74**	2,152
Deferred tax assets		**345**	1,571
Total non-current assets		**82,125**	91,625
CURRENT ASSETS			
Inventories		**144,026**	135,918
Trade and bills receivables	15	**349,867**	398,237
Prepayments, deposits, other receivables and other assets		**30,172**	30,602
Pledged bank deposits		**116,267**	116,248
Cash and cash equivalents		**75,610**	64,144
Total current assets		**715,942**	745,149

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	**Unaudited 30 September 2025 HK$'000**	Audited 31 March 2025 HK$'000
CURRENT LIABILITIES			
Trade payables	16	**240,742**	200,388
Other payables, accruals and contract liabilities		**80,288**	81,895
Interest-bearing bank borrowings		**8,908**	37,007
Trust receipt loans		**172,486**	259,501
Lease liabilities		**4,397**	6,085
Tax payable		**4,297**	2,817
Total current liabilities		**511,118**	587,693
NET CURRENT ASSETS		**204,824**	157,456
TOTAL ASSETS LESS CURRENT LIABILITIES		**286,949**	249,081
NON-CURRENT LIABILITIES			
Lease liabilities		**3,500**	4,231
Deferred tax liabilities		**941**	807
Total non-current liabilities		**4,441**	5,038
Net assets		**282,508**	244,043
EQUITY			
Equity attributable to owners of the parent			
Share capital		**11,940**	9,950
Reserves		**270,568**	234,093
Total equity		**282,508**	244,043

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025 (Unaudited)	Attributable to owners of the parent									
	Share capital HK$'000	Share premium HK$'000	Treasury shares HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Fair value reserve of equity investment reserve HK$'000	Share option reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2025 (audited)	9,950	105,146	(4,899)	625	(3,117)	2,375	21,674	(1,063)	113,352	244,043
Profit for the period	–	–	–	–	–	–	–	–	15,448	15,448
Other comprehensive expense for the period:										
Exchange differences on translation of a foreign operation	–	–	–	–	427	–	–	–	–	427
Equity investment at fair value	–	–	–	–		(960)	–	–	–	(960)
Total comprehensive income/(expense) for the period	–	–	–	–	427	(960)	–	–	15,448	14,915
Dividends declared (note 8)	–	–	–	–	–	–	–	–	(11,720)	(11,720)
Issue of new shares	1,990	33,280	–	–	–	–	–	–	–	35,270
At 30 September 2025	11,940	138,426	(4,899)	625	(2,690)	1,415	21,674	(1,063)	117,080	282,508

For the six months ended 30 September 2024 (Unaudited)	Attributable to owners of the parent									
	Share capital HK$'000	Share premium HK$'000	Treasury shares HK$'000	Contributed surplus HK$'000	Exchange fluctuation reserve HK$'000	Fair value reserve of equity investment reserve HK$'000	Share option reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2024 (audited)	10,000	105,146	–	625	(2,872)	877	21,574	–	82,832	218,182
Profit for the period	–	–	–	–	–	–	–	–	14,583	14,583
Other comprehensive income for the period:										
Exchange differences on translation of a foreign operation	–	–	–	–	217	–	–	–	–	217
Net gain on equity investment at fair value through other comprehensive income	–	–	–	–	–	1,846	–	–	–	1,846
Total comprehensive income for the period	–	–	–	–	217	1,846	–	–	14,583	16,646
Share based payment expenses	–	–	–	–	–	–	100	–	–	100
Repurchase of shares	–	–	(6,012)	–	–	–	–	–	–	(6,012)
Cancellation of shares	(50)	–	1,113	–	–	–	–	(1,063)	–	–
At 30 September 2024	9,950	105,146	(4,899)	625	(2,655)	2,723	21,674	(1,063)	97,415	228,916

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2025

	Unaudited For the six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**18,276**	16,983
Adjustments for:		
Interest income	**(2,262)**	(2,351)
Finance costs	**10,705**	15,202
Impairment/(reversal of impairment) of trade receivables	**(247)**	5
Provision/(write back of provision) for inventories	**(2,485)**	8,800
Equity-settled share option expense	**–**	100
Depreciation of property, plant and equipment	**6,228**	4,739
Amortisation	**904**	1,081
Fair value gain on financial assets at fair value through profit or loss	**(259)**	(321)
	30,860	44,238
Decrease/(increase) in inventories	**(5,623)**	35,855
Decrease in trade and bills receivables	**48,617**	23,749
Decrease/(increase) in prepayments, deposits and other receivables	**2,508**	(12,201)
Increase/(decrease) in trade payables	**40,354**	(68,027)
Increase/(decrease) in other payables, accruals and contract liabilities	**(1,607)**	7,785
Exchange realignment	**(55)**	(80)
Net cash flows from operating activities	**115,054**	31,319

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 September 2025

	Unaudited For the six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**2,262**	2,351
Purchase of items of property, plant and equipment	**(479)**	(155)
Withdrawal of pledged bank deposits	**–**	115
Placement of pledged bank deposits	**(19)**	–
Net cash flows from investing activities	**1,764**	2,311
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares	**–**	(6,012)
Issuance of new shares	**35,270**	–
New trust receipt loans	**695,673**	700,059
Repayment of trust receipt loans	**(782,688)**	(711,414)
New other bank loans	**524,366**	1,097,797
Repayment of other bank loans	**(552,465)**	(1,104,568)
Interest paid	**(10,705)**	(15,202)
Dividend paid	**(11,720)**	–
Repayment of the principal portion of lease liabilities	**(3,134)**	(2,706)
Net cash flows used in financing activities	**(105,403)**	(42,046)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**11,415**	(8,416)
Cash and cash equivalents at beginning of period	**64,144**	64,101
Effect of foreign exchange rate changes, net	**51**	154
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**75,610**	55,839
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statements of cash flows	**75,610**	55,839

1 CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 5 July 2018. The registered office address of the Company is the address of the offices of Conyers Trust Company (Cayman) Limited, which is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is located at Room 902–906, 9/F Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 19 February 2021.

The Company is an investment holding company. During the period, the Company's subsidiaries were involved in the import and export of connectivity products which are used in the telecom and datacom connectivity industry.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Generous Horizon Limited (formerly known as Generous Team Limited), which is a limited liability company incorporated in the British Virgin Islands (the "BVI") and wholly-owned by Mr. Fung Yui Kong ("Mr. Fung"), the Chairman and one of the executive directors of the Company.

2.1 BASIS OF PREPARATION

The condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Save for the adoption of amended HKFRS Accounting Standard during the period as set out in note 2.2 below, the accounting policies and basis of preparation adopted in the preparation of the condensed consolidated interim financial statements are the same as those used in the preparation of the annual financial statements for the year ended 31 March 2025.

2.2 IMPACT OF AMENDED HKFRS ACCOUNTING STANDARD

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	*Lack of Exchangeability*

The adoption of the amended HKFRS Accounting Standard has had no significant financial effect on the unaudited condensed interim financial statements of the Group.

3 OPERATING SEGMENT INFORMATION

The Group is principally engaged in the import and export of electronic components including commercial lasers and connectivity products which are used in telecom and datacom connectivity industry for different end applications such as telecom infrastructure, data centres, high performance computing, IoT and network connectivity products.

Almost all of the Group's products are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are attributable to a single reportable operating segment.

Geographical information

(a) Revenue from external customers

	Unaudited For the six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
Hong Kong	**85,707**	115,787
Chinese Mainland	**844,764**	857,043
Other countries/regions	**123,942**	47,932
Total	**1,054,413**	1,020,762

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

3 OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information *(Continued)*

(b) Non-current assets

	Unaudited 30 September 2025 HK$'000	Audited 31 March 2025 HK$'000
Hong Kong	**31,454**	36,297
Chinese Mainland	**19,610**	22,337
Other countries/regions	**20**	23
Total	**51,084**	58,657

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

Information about major customers

Revenue derived from sales to individual customers which contributed 10% or more of the total revenue of the Group during the Period is as follows:

	Unaudited For the six months ended 30 September	
	2025 HK$'000	2024 HK$'000
Customer A	**109,573**	128,292
Customer B	**161,284**	110,712
Customer C	*****	152,910
Customer D	**112,500**	111,281
Total	**383,357**	503,195

* Revenue from sales to Customer C accounted for less than 10% of the total revenue of the Group for the six months ended 30 September 2025.

The above amounts include sales to a group of entities which are known to be under common control with the customer.

4 REVENUE AND OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	Unaudited For the six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
Revenue from contracts with customers		
Sale of goods	**1,048,477**	1,016,710
Rendering of services	**5,936**	4,052
Total	**1,054,413**	1,020,762
Revenue from contracts with customers		
Disaggregated revenue information		
Timing of revenue recognition		
At a point in time	**1,054,413**	1,020,762

4 REVENUE AND OTHER INCOME AND GAINS, NET *(Continued)*

An analysis of other income and gains, net, is as follows:

	Unaudited For the six months ended 30 September **2025** **HK$'000**	 2024 HK$'000
Bank interest income	**2,262**	2,351
Exchange differences, net	**–**	450
Write back of impairment on trade receivables	**247**	–
Fair value gain on financial assets at fair value through profit or loss	**259**	321
Sundry income, net	**215**	376
Total other income and gains, net	**2,983**	3,498

5 FINANCE COSTS

An analysis of finance costs is as follows:

	Unaudited For the six months ended 30 September **2025** **HK$'000**	 2024 HK$'000
Interest on bank borrowings	**10,537**	15,027
Interest on lease liabilities	**168**	175
Total finance costs	**10,705**	15,202

6 PROFIT BEFORE TAX

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

	Unaudited For the six months ended 30 September 2025 HK$'000	2024 HK$'000
Cost of inventories sold	**925,406**	914,121
Cost of services provided	**83**	199
Amortisation	**904**	1,081
Depreciation	**6,228**	4,739
Research and development costs#	**4,288**	4,178
Auditors' remuneration		
— annual audit	**830**	780
Provision/(reversal of provision) for inventories^^	**(2,485)**	8,800
Impairment/(reversal of impairment) of trade receivables^	**(247)**	5
Staff costs (including directors' remuneration):		
Wages and salaries and allowances	**34,060**	31,170
Share based payment expenses for share option^	**–**	100
Pension scheme contributions	**3,469**	3,276
Total	**37,529**	34,546
Lease payments not included in the measurement of leases liabilities	**–**	26
Foreign exchange loss/(gain), net	**125**	(450)
Fair value gain on financial assets at fair value through profit or loss	**(259)**	(321)

The research and development costs include HK$4,288,000 (six months ended 30 September 2024: HK$4,178,000) relating to staff costs for research and development activities, which are also included in the total amounts disclosed above for each of these types of expenses for the period.

^ The impairment/(reversal of impairment) of trade receivables and share based payment expenses for share option are included in "Other income and gains, net" and "Administrative expenses" on the face of the condensed consolidated statement of profit or loss.

^^ Provision/(reversal of provision) for inventories is included in "Cost of sales" on the face of the consolidated statement of profit or loss.

7 INCOME TAX

	Unaudited For the six months ended 30 September **2025** **HK$'000**	 2024 HK$'000
Current — Hong Kong		
Charge for the period	**2,828**	2,400

8 DIVIDENDS

No interim dividend was proposed during the current period (2024: Nil).

The dividends paid during the periods were as follows:

	Unaudited For the six months ended 30 September **2025** **HK$'000**	 2024 HK$'000
Dividends paid during the period — final at HK1.0 cent for ordinary share (2024: Nil)	**11,720**	–

9 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

a. Basic earnings per share

The calculation of basic earnings per share attributable to ordinary equity holders of the parent is based on the profit for the period attributable to ordinary equity holders of the parent of HK$15,448,000 (2024: HK$14,583,000) and the weighted average number of ordinary shares of 1,025,197,000 (2024: 993,000,000) outstanding during the period.

b. Diluted earnings per share

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 September 2025 and 2024 in respect of a dilution as the exercise price of the share options of the Company outstanding during both periods were higher than the average market prices of the Company's ordinary shares and, accordingly, such share options held have no dilutive effect on the basic earnings per ordinary shares for both periods.

10 PROPERTY, PLANT AND EQUIPMENT

The changes in the net book value of property, plant and equipment for the six months ended 30 September 2025 are analysed as follows:

	Owned assets HK$'000	Right-of-use assets HK$'000	Total HK$'000
At 1 April 2025 (Audited)	**22,016**	**27,268**	**49,284**
Additions	**479**	**715**	**1,194**
Depreciation	**(2,606)**	**(3,622)**	**(6,228)**
Exchange realignment	**54**	**237**	**291**
At 30 September 2025 (Unaudited)	**19,943**	**24,598**	**44,541**
At 1 April 2024 (Audited)	17,239	25,871	43,110
Additions	155	4,818	4,973
Depreciation	(1,601)	(3,138)	(4,739)
Exchange realignment	505	(412)	93
At 30 September 2024 (Unaudited)	16,298	27,139	43,437

11 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of trade and bills receivables at amortised cost, other receivables, deposits, pledged bank deposits, cash and cash equivalents, trade payables, interest-bearing bank borrowings, trust receipt loans, lease liabilities, and other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

11 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's instruments:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
At 30 September 2025				
Financial assets at fair value through profit or loss:				
Investments in life insurance policies	–	–	19,495	19,495
Financial assets at fair value through other comprehensive income:				
Trade receivables	–	5,183	–	5,183
Equity investment at fair value through other comprehensive income:				
Unlisted equity investment	–	–	11,201	11,201
	–	5,183	30,696	35,879

11 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
At 31 March 2025				
Financial assets at fair value through profit or loss:				
Life insurance policies	–	–	19,236	19,236
Financial assets at fair value through other comprehensive income:				
Trade receivables	–	15,798	–	15,798
Equity investment at fair value through other comprehensive income:				
Unlisted equity investment	–	–	12,161	12,161
	–	15,798	31,397	47,195

11 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

The movements in fair value measurements within Level 3 during the year are as follows:

	Unaudited	
	2025	2024
	HK$'000	HK$'000
Financial assets at fair value through profit or loss:		
At 1 April (Audited)	**19,236**	19,165
Gain recognised in the statement of profit or loss	**259**	321
At 30 September (Unaudited)	**19,495**	19,486

Equity investment at fair value through other comprehensive income:

	Unaudited	
	2025	2024
	HK$'000	HK$'000
At 1 April (Audited)	**12,161**	10,663
Gain/(loss) recognised through other comprehensive income	**(960)**	1,846
At 30 September (Unaudited)	**11,201**	12,509

11 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy *(Continued)*

The following method and assumptions were used to estimate the fair values:

The fair value of trade receivables stated at fair value through other comprehensive income is determined by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of the investments in life insurance policies is determined by reference to the surrender values provided by the insurance companies. When the surrender values are higher, the fair value of investments in life insurance policies will be higher. As at 30 September 2025, if the surrender values have been 5% higher/lower, the impact on the amount attributable to the shareholders of the Group would be HK$975,000 (31 March 2025: HK$962,000) higher/lower, respectively.

The fair value of the unlisted equity investment designated at fair value through other comprehensive income was estimated using a market approach based on latest market transaction.

12 INTANGIBLE ASSET

	Exclusive rights HK$'000
30 September 2025	
Cost	
At 1 April 2025	**8,572**
Exchange realignment	**152**
At 30 September 2025	**8,724**
Accumulated amortisation	
At 1 April 2025	**1,351**
Provided during the period	**904**
At 30 September 2025	**2,255**
Net carrying amount	**6,469**
30 September 2024	
Cost	
At 1 April 2024	6,497
Exchange realignment	105
At 30 September 2024	6,602
Accumulated amortisation	
At 1 April 2024	–
Provided during the period	1,081
Exchange realignment	19
At 30 September 2024	1,100
Net carrying amount	5,502

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The changes in the net book value of financial assets at fair value through profit or loss for the six months ended 30 September 2025 are analysed as follows:

	Life insurance policy HK$'000
At 1 April 2025 (Audited)	**19,236**
Changed in fair value	**259**
At 30 September 2025 (Unaudited)	**19,495**
At 1 April 2024 (Audited)	19,165
Changed in fair value	321
At 30 September 2024 (Unaudited)	19,486

14 EQUITY INVESTMENT DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Unaudited 30 September 2025 HK$'000	Audited 31 March 2025 HK$'000
Unlisted equity investment, at fair value	**11,201**	12,161

The above unlisted equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

15 TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit with terms of one month, extending up to four months for major customers.

Overdue balances are reviewed regularly by senior management. As at 30 September 2025, the Group had certain concentration of credit risk that might arise from the exposure to its five largest customers and the largest customer which accounted for approximately 50.23% (31 March 2025: 54.3%) and 15.3% (31 March 2025: 21.4%) of the Group's total trade receivables, respectively. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest bearing.

	Unaudited 30 September 2025 HK$'000	Audited 31 March 2025 HK$'000
Trade receivables	**349,185**	386,815
Bills receivable	**682**	11,422
Total	**349,867**	398,237

15 TRADE AND BILLS RECEIVABLES *(Continued)*

An ageing analysis of the trade and bills receivables based on the invoice date and net of loss allowance, is as follows:

	Unaudited 30 September 2025 HK$'000	Audited 31 March 2025 HK$'000
Within 1 month	**121,223**	378,315
1 to 3 months	**175,421**	15,109
3 to 6 months	**52,911**	1,639
Over 6 months	**312**	3,174
Total	**349,867**	398,237

16 TRADE PAYABLES

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

	Unaudited 30 September 2025 HK$'000	Audited 31 March 2025 HK$'000
Within 30 days	**132,860**	190,360
31 to 90 days	**102,174**	713
Over 90 days	**5,708**	9,315
Total	**240,742**	200,388

The trade payables are non-interest bearing and are normally settled on terms of one to two months.

17 SHARE CAPITAL

During the Period, the Company issued 199,000,000 new shares at HK$0.18 per share to independent third parties. The Group incurred share issue expense of HK$550,000. As at 30 September 2025, the Company has issued share capital of 1,194,000,000 shares, of which 22,000,000 is classified as treasury shares held for raising capital in the future.

During the corresponding period last year, the Company purchased 27,000,000 of its shares on the Stock Exchange at a total consideration of HK$6,012,000, of which 5,000,000 shares were cancelled.

18 RELATED PARTY TRANSACTIONS

a In addition to the transactions detailed in elsewhere in these interim financial statements, the Group had the following transactions with related parties:

(i) Mr. Fung had undertaken to indemnify the Group for all costs, losses and/or expenses for any taxation of the Group incurred with respect to the transfer pricing arrangement that arose prior to the listing on the Stock Exchange on 19 February 2021.

b Compensation of key management personnel of the Group:

	Unaudited For the six months ended 30 September	
	2025	2024
	HK$'000	HK$'000
Short-term employee benefits	**14,929**	9,348
Post-employment benefits	**537**	546
Share based payment expenses for share option	**–**	100
Total compensation paid to key management personnel	**15,466**	9,994

19 COMMITMENTS

At the end of the Period, there was no commitment noted (as at 31 March 2025: Nil).

Pangaea Connectivity Technology Limited
環聯連訊科技有限公司