# EVA Precision Industrial Holdings Limited
# 億和精密工業控股有限公司

*(Incorporated with limited liability in the Cayman Islands)*
(Stock Code: 838)

## INTERIM RESULTS
## FOR THE SIX MONTHS ENDED 30 JUNE 2026

### FINANCIAL RESULTS

The Board of Directors of EVA Precision Industrial Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026 together with the comparative figures as follows:

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | Note | Unaudited Six months ended 30 June 2026 HK$'000 | 2025 HK$'000 |
|---|---|---|---|
| **Revenue** | 4 | **3,070,139** | 3,055,327 |
| Cost of sales | | **(2,487,792)** | (2,435,501) |
| **Gross profit** | | **582,347** | 619,826 |
| Other income | | **42,863** | 19,869 |
| Other gains – net | | **50,335** | 11,778 |
| Selling and marketing costs | | **(111,962)** | (115,201) |
| General and administrative expenses | | **(353,609)** | (328,382) |
| **Operating profit** | 5 | **209,974** | 207,890 |
| Finance income | 6 | **14,577** | 15,207 |
| Finance costs | 6 | **(55,592)** | (57,477) |
| Share of (losses)/profits of associates | | **(671)** | 257 |
| **Profit before income tax** | | **168,288** | 165,877 |
| Income tax expense | 7 | **(29,649)** | (30,949) |
| **Profit for the period** | | **138,639** | 134,928 |
| Other comprehensive income for the period, net of tax | | | |
| Items that may be reclassified subsequently to profit or loss | | | |
| – Currency translation differences | | **61,510** | 26,177 |
| Items that will not be reclassified to profit or loss | | | |
| – Revaluation gains on financial assets at fair value through other comprehensive income | | **–** | – |
| **Total comprehensive income for the period** | | **200,149** | 161,105 |
| Profit for the period attributable to equity holders of the Company | | **138,639** | 134,928 |
| Total comprehensive income for the period attributable to equity holders of the Company | | **200,149** | 161,105 |
| **Earnings per share for profit attributable to equity holders of the Company during the period (expressed in HK cents per share)** | | | |
| – basic | 8 | **8.0** | 7.8 |
| – diluted | 8 | **8.0** | 7.8 |

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

*As at 30 June 2026*

| | Note | **Unaudited 30 June 2026** *HK$'000* | Audited 31 December 2025 *HK$'000* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **3,092,317** | 2,925,341 |
| Right-of-use assets | | **324,341** | 336,202 |
| Intangible assets | | **2,655** | 2,799 |
| Investments in associates | | **31,999** | 25,017 |
| Financial assets at fair value through other comprehensive income | | **9,230** | 9,230 |
| Prepayments, deposits and other receivables | | **25,264** | 25,503 |
| Deferred income tax assets | | **4,621** | 4,459 |
| | | **3,490,427** | 3,328,551 |
| **Current assets** | | | |
| Inventories | | **802,046** | 800,285 |
| Trade and bills receivables | *10* | **1,813,524** | 1,764,663 |
| Prepayments, deposits and other receivables | | **124,031** | 93,597 |
| Restricted bank deposits | | **64,121** | 96,348 |
| Cash and cash equivalents | | **1,885,701** | 1,597,431 |
| Asset classified as held for sale | | **–** | 18,850 |
| | | **4,689,423** | 4,371,174 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade payables | *11* | **1,668,410** | 1,530,832 |
| Contract liabilities | | **225,717** | 166,182 |
| Accruals and other payables | | **263,860** | 340,297 |
| Bank borrowings | | **1,254,841** | 1,112,425 |
| Lease liabilities | | **26,689** | 27,791 |
| Current income tax liabilities | | **39,134** | 43,222 |
| Liability classified as held for sale | | **–** | 2,344 |
| | | **3,478,651** | 3,223,093 |
| **Net current assets** | | **1,210,772** | 1,148,081 |
| **Total assets less current liabilities** | | **4,701,199** | 4,476,632 |

| | Note | Unaudited<br>30 June<br>2026<br>*HK$'000* | Audited<br>31 December<br>2025<br>*HK$'000* |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Bank borrowings | | **1,119,461** | 1,051,387 |
| Lease liabilities | | **62,259** | 72,456 |
| Deferred income tax liabilities | | **17,608** | 18,016 |
| | | **1,199,328** | 1,141,859 |
| **Net assets** | | **3,501,871** | 3,334,773 |
| **EQUITY** | | | |
| **Capital and reserves** | | | |
| Share capital | | **173,044** | 173,044 |
| Reserves | | **3,328,827** | 3,161,729 |
| **Total equity** | | **3,501,871** | 3,334,773 |

*Notes:*

## 1 BASIS OF PRESENTATION

The Company is an investment holding company, and its subsidiaries are principally engaged in the provision of precision manufacturing services, focusing on the production of moulds and components with high quality standard and dimensional accuracy.

The Company was incorporated in the Cayman Islands on 12 July 2004 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 11 May 2005.

The condensed consolidated interim financial information have been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The condensed consolidated interim financial information is presented in Hong Kong dollars ("HK$"), unless otherwise stated, and was approved for issue by the Board of Directors on 26 August 2026. The condensed consolidated interim financial information has not been audited.

## 2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

### (a) Relevant amendments to existing standards effective for the financial year beginning 1 January 2026

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Classification and Measurement of Financial Instruments (amendments) |
| Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 | Annual Improvements to HKFRS Accounting Standards – Volume 11 |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity (amendments) |
| Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 | Disclosures about Uncertainties in the Financial Statements (amendments) |

The adoption of the above amendments to standards does not have any significant impact to the results and financial position of the Group.

**(b) The following new standards, amendments to standards and interpretations have been issued but not yet effective for the financial year beginning of 1 January 2026 and have not been early adopted**

| | | Effective for annual periods beginning on or after |
|---|---|---|
| HKFRS 18 | Presentation and Disclosure in Financial Statements (new standard) | 1 January 2027 |
| HKFRS 19 | Subsidiaries without Public Accountability: Disclosures (new standard) | 1 January 2027 |
| HKFRS 19 | Amendments to HKFRS 19 Subsidiaries without Public Accountability: Disclosures (amendments) | 1 January 2027 |
| Amendments to HKAS 21 | Translation to a Hyperinflationary Presentation Currency (amendments) | 1 January 2027 |
| Amendments to HK Int 5 | Hong Kong Interpretation 5 Presentation of Financial Statements – *Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* (amendments) | 1 January 2027 |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) | To be determined |

The directors of the Group will adopt the new amendments to standards when they become effective. The directors of the Group are in the process of assessing the financial impact of the adoption of the above new amendments to standards, none of which is expected to have a significant effect on the consolidated financial statements of the Group, except for HKFRS 18 which will impact the presentation of profit and loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

## 3 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the executive directors and senior management collectively. They review the Group's internal reporting in order to assess performance and allocate resources.

The Group is organised into three main business segments, namely, (i) Office automation equipment, (ii) Automotive components and (iii) Information and communication technology ("ICT"). The Group has strategically laid out its ICT business, having actively engaged in the high-end IT industry in earlier years. With the continuous growth of the ICT business, management has reassessed the Group's segment reporting structure. As a result, a new reportable operating segment has been identified for financial reporting purposes for the year ended 31 December 2025 and onwards, as the allocation of resources, performance assessment and management decision-making for the segment are conducted separately.

The change in the Group's reportable operating segments for the six months ended 30 June 2026 has been applied retrospectively. Accordingly, the comparative presentation has been restated to align with the new reporting structure, as reviewed by the Group's chief operating decision maker.

Also, investments in associates and financial assets at fair value through other comprehensive income are reported as un-allocated assets in information provided to the chief operating decision-maker as they are not directly related to the segment performance.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of revenue and profit before interest and tax.

Information provided to the chief operating decision-maker is measured in a manner consistent with that in the condensed consolidated interim financial information.

The segment results and other segment items are as follows:

| | **Six months ended 30 June 2026** | | | | | Six months ended 30 June 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Office automation equipment** | **Automotive components** | **Information and communication technology** | **Inter-segment elimination** | **Total** | Office automation equipment | Automotive components | Information and communication technology | Inter-segment elimination | Total |
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Sales to external customers | **1,714,376** | **1,087,796** | **267,967** | **–** | **3,070,139** | 1,815,661 | 1,038,792 | 200,874 | – | 3,055,327 |
| Inter-segment sales | **3,005** | **59,692** | **844** | **(63,541)** | **–** | 3,845 | 57,009 | 19,332 | (80,186) | – |
| Total | **1,717,381** | **1,147,488** | **268,811** | **(63,541)** | **3,070,139** | 1,819,506 | 1,095,801 | 220,206 | (80,186) | 3,055,327 |
| Segment results | **171,518** | **38,203** | **16,625** | | **226,346** | 118,448 | 85,406 | 20,514 | | 224,368 |
| Unallocated expenses | | | | | **(16,372)** | | | | | (16,478) |
| Finance income | | | | | **14,577** | | | | | 15,207 |
| Finance costs | | | | | **(55,592)** | | | | | (57,477) |
| Share of (losses)/ profits of associates | | | | | **(671)** | | | | | 257 |
| Profit before income tax | | | | | **168,288** | | | | | 165,877 |
| Income tax expenses | | | | | **(29,649)** | | | | | (30,949) |
| Profit for the period | | | | | **138,639** | | | | | 134,928 |
| Depreciation | **69,873** | **99,942** | **8,405** | | **178,220** | 68,151 | 99,849 | 2,939 | | 170,939 |
| Amortisation | **144** | **–** | **–** | | **144** | 144 | – | – | | 144 |

For the six months ended 30 June 2026 and 2025, unallocated expenses represent corporate expenses.

The segment assets and liabilities are as follows:

| | As at 30 June 2026 | | | | | As at 31 December 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Office automation equipment | Automotive components | Information and communication technology | Un-allocated | Total | Office automation equipment | Automotive components | Information and communication technology | Un-allocated | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Assets | **4,341,407** | **3,389,793** | **400,916** | **47,734** | **8,179,850** | 4,110,467 | 3,234,459 | 314,792 | 40,007 | 7,699,725 |
| Liabilities | **993,870** | **1,052,892** | **194,503** | **2,436,714** | **4,677,979** | 1,019,118 | 869,211 | 246,758 | 2,229,865 | 4,364,952 |

The segment capital expenditure is as follows:

| | Six months ended 30 June 2026 | | | | | Six months ended 30 June 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Office automation equipment | Automotive components | Information and communication technology | Un-allocated | Total | Office automation equipment | Automotive components | Information and communication technology | Un-allocated | Total |
| | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Capital expenditure | **120,035** | **154,137** | **28,858** | **–** | **303,030** | 139,223 | 74,698 | 7,738 | – | 221,659 |

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables, short-term bank deposits, restricted bank deposits, certain prepayments, deposits and other receivables, and cash and cash equivalents.

Segment liabilities comprise operating liabilities but exclude bank borrowings, current income tax liabilities, deferred income tax liabilities and certain accruals and other payables.

Capital expenditure comprises additions to property, plant and equipment and right-of-use assets.

Segment assets and liabilities are reconciled to the Group's assets and liabilities at 30 June 2026 as follows:

| | **Assets** *HK$'000* | **Liabilities** *HK$'000* |
|---|---|---|
| Segment assets/liabilities | **8,132,116** | **2,241,265** |
| Unallocated: | | |
| Investments in associates | **31,999** | **–** |
| Financial assets at fair value through other comprehensive income | **9,230** | **–** |
| Cash and cash equivalents | **1,226** | **–** |
| Deferred income tax assets | **4,621** | **–** |
| Prepayments, deposits and other receivables | **660** | **–** |
| Current income tax liabilities | **–** | **39,134** |
| Deferred income tax liabilities | **–** | **17,608** |
| Bank borrowings | **–** | **2,374,302** |
| Accruals and other payables | **–** | **5,670** |
| Total | **8,179,850** | **4,677,979** |

Segment assets and liabilities are reconciled to the Group's assets and liabilities at 31 December 2025 as follows:

| | Assets *HK$'000* | Liabilities *HK$'000* |
|---|---|---|
| Segment assets/liabilities | 7,659,718 | 2,135,087 |
| Unallocated: | | |
| Investments in associates | 25,017 | – |
| Financial assets at fair value through other comprehensive income | 9,230 | – |
| Cash and cash equivalents | 641 | – |
| Deferred income tax assets | 4,459 | – |
| Prepayments, deposits and other receivables | 660 | – |
| Current income tax liabilities | – | 43,222 |
| Deferred income tax liabilities | – | 18,016 |
| Bank borrowings | – | 2,163,812 |
| Accruals and other payables | – | 4,815 |
| Total | 7,699,725 | 4,364,952 |

During the six months ended 30 June 2026, the aggregated revenue from the top customer, which contributed more than 10% of the Group's revenue, amounted to approximately HK$792,438,000 (six months ended 30 June 2025: the top customers: HK$939,277,000).

Revenue from external customers, based on the destination of the shipment, and assets by geographical region are as follows:

***Revenues by geographical region***

| | **Six months ended 30 June 2026** | | | | Six months ended 30 June 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | **The People's Republic of China ("PRC")** | **Vietnam** | **Mexico** | **Total** | PRC | Vietnam | Mexico | Total |
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Revenue | **2,340,366** | **367,277** | **362,496** | **3,070,139** | 2,258,624 | 436,576 | 360,127 | 3,055,327 |

***Assets by geographical region***

| | **As at 30 June 2026** | | | | As at 31 December 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | **PRC** | **Vietnam** | **Mexico** | **Total** | PRC | Vietnam | Mexico | Total |
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| Total non-current assets | **2,519,539** | **527,097** | **443,791** | **3,490,427** | 2,418,069 | 469,985 | 440,497 | 3,328,551 |
| Total assets | **6,187,896** | **1,167,252** | **824,702** | **8,179,850** | 5,870,107 | 1,045,300 | 784,318 | 7,699,725 |

## 4 REVENUE

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| Sale of moulds and components | **2,992,265** | 2,990,305 |
| Others *(Note)* | **77,874** | 65,022 |
| | **3,070,139** | 3,055,327 |

The Group derives all revenue from the sales of goods at a point in time.

*Note:* Others mainly represent proceeds from sales of scrap materials.

## 5 OPERATING PROFIT

The operating profit is stated after charging the following:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| Raw materials used | **1,786,147** | 1,775,856 |
| Production overhead costs (excluding labour and depreciation expenses) | **153,714** | 179,049 |
| Staff costs, including directors' emoluments and share option costs | | |
| – Wages, salaries and bonus | **544,823** | 515,012 |
| – Staff welfare | **27,077** | 24,043 |
| – Retirement benefit – defined contribution plans | **70,101** | 50,449 |
| Depreciation | | |
| – Property, plant and equipment | **159,964** | 156,903 |
| – Right-of-use assets | **18,256** | 14,036 |
| Amortisation of intangible assets | **144** | 144 |
| Provision for inventory obsolescence | **2,463** | 26,414 |
| Operating lease rental for short-term and low-value leases | **4,275** | 424 |

## 6 FINANCE INCOME/COSTS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| **Finance income** | | |
| Interest income from bank deposits | **14,577** | 15,207 |
| **Finance costs** | | |
| Interest expense on: | | |
| Bank borrowings | **(54,192)** | (62,628) |
| Lease liabilities – Factory and office premises | **(2,411)** | (1,970) |
| Interest capitalised | **1,011** | 7,121 |
| | **(55,592)** | (57,477) |

## 7 INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| Current taxation | | |
| – PRC corporate income tax | **(34,636)** | (17,123) |
| – Overseas corporate income tax | **(5,828)** | (13,802) |
| Over/(under)-provision in prior years | **10,245** | (497) |
| Deferred income tax | **570** | 473 |
| | **(29,649)** | (30,949) |

## 8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

**Basic**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| Profit attributable to equity holders of the Company *(HK$'000)* | **138,639** | 134,928 |
| Weighted average number of ordinary shares in issue *('000)* | **1,730,438** | 1,730,438 |
| Basic earnings per share *(HK cents per share)* | **8.0** | 7.8 |

**Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (i.e. share options). A calculation is made in order to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

The computation of the diluted earnings per share did not assume the exercise of the Company's outstanding share options as their exercise prices were higher than the average market price of the Company's shares for both periods.

## 9 DIVIDEND

An interim dividend of HK2.4 cents (six months ended 30 June 2025: HK2.33 cents) per ordinary share, amounting to HK$41,531,000 (six months ended 30 June 2025: HK$40,319,000), was declared by the directors of the Company for the six months ended 30 June 2026.

## 10 TRADE AND BILLS RECEIVABLES

The credit period granted by the Group to its customers is generally 30 to 180 days.

The aging of the trade receivables based on invoice date is as follows:

| | As at | |
|---|---|---|
| | **30 June 2026** | 31 December 2025 |
| | ***HK$'000*** | *HK$'000* |
| 0 to 90 days | **1,604,212** | 1,284,436 |
| 91 to 180 days | **205,527** | 481,415 |
| More than 180 days | **4,973** | – |
| | **1,814,712** | 1,765,851 |
| Less: loss allowance | **(1,188)** | (1,188) |
| Trade receivables – net | **1,813,524** | 1,764,663 |

The top five customers and the largest customer accounted for 49.14% (31 December 2025: 56.31%) and 12.13% (31 December 2025: 16.77%), respectively, of the trade receivables balance as at 30 June 2026. Other than these major customers, there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

During the six months ended 30 June 2026, no additional loss allowance was recorded for its trade receivables (six months ended 30 June 2025: Nil).

## 11 TRADE PAYABLES

The aging of trade payables is based on invoice date as follows:

| | As at | |
|---|---|---|
| | **30 June 2026** | 31 December 2025 |
| | ***HK$'000*** | *HK$'000* |
| 0 to 90 days | **1,539,548** | 1,414,941 |
| 91 to 180 days | **128,862** | 115,891 |
| | **1,668,410** | 1,530,832 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

In the first half of 2026, the global economy was affected by geopolitical conflicts, trade and technology frictions, and AI-related investments. Growth moderated while uncertainty increased, resulting in many enterprises facing weaker order momentum on the one hand and rising raw material and operating cost pressures on the other. Against a backdrop of uneven recoveries among major economies, the global manufacturing sector continued to grow, although at a noticeably slower pace. Traditional manufacturing and export-oriented industries generally faced the dual challenges of order pressure and cost escalation. In Mainland China, the automotive sector was increasingly caught in a "revenue growth without profit expansion" predicament. According to publicly available industry data, the Chinese automotive industry recorded revenue growth of approximately 1.8% year-on-year in the first half of 2026, while profits declined by about 20%, with profit margin falling to around 3.8%, significantly below the average of roughly 6.5% for downstream industrial enterprises. Within this environment, the traditional office automation ("OA") equipment supply chain and automotive components sector, in which the Group operates, both faced varying degrees of pressure, whereas the information and communications technology ("ICT") business benefited from AI computing and data centre construction and emerged as one of the few sub-segments with relatively strong growth momentum.

During the period, the Group's overall operating performance reflected the differing impacts of these industry conditions on its respective segments. Amid ongoing structural adjustments in the traditional supply chain and increasingly cautious customer order arrangements, the OA equipment segment's sales performance and capacity utilisation at the Group's industrial parks in Vietnam and Mainland China were both under pressure, resulting in a year-on-year decline in turnover of approximately 5.6% to HK$1,714,376,000 (1H2025: HK$1,815,661,000). Despite the pressure on traditional orders, the Group's robotics-related business continued to develop as a new source of growth. During the period, the Group provided component manufacturing, integrated processing and complete-machine assembly services for humanoid robots for Galaxy General, a leading Chinese embodied intelligence humanoid robotics company. The related projects have entered a stable mass delivery phase, laying a foundation for diversifying the revenue streams of the OA segment. In contrast, the automotive component segment benefited from the continued ramp-up of several new energy vehicle ("NEV") projects and export orders, recording year-on-year turnover growth of approximately 4.7% to HK$1,087,796,000 (1H2025: HK$1,038,792,000). However, amid intensifying industry competition, the limited and delayed pass-through of higher raw material costs, rising operating costs and the impact of upfront strategic investments, the segment's profitability came under pressure, reflecting a "revenue growth without profit expansion" trend consistent with the broader industry. The ICT segment continued to deliver strong growth momentum and, supported by AI computing and data centre construction, recorded a significant year-on-year increase in turnover of approximately 33.4% to HK$267,967,000 (1H2025: HK$200,874,000), being one of the Group's key growth engines.

During the period, the Group faced challenges arising from the macroeconomic and industry environment, and its overall gross profit margin decreased to 19.0% (1H2025: 20.3%). To improve capacity utilisation and strengthen cash flow management, the Group continued to implement cost reduction and efficiency enhancement measures, optimise its product and customer mix, and actively streamline excess production capacity to release funds and enhance resource allocation efficiency. Despite pressure on profitability, the Group's overall cash flow remained stable. At the same time, the Group moderately increased bank borrowings to support its business development needs, while maintaining a sound leverage and liquidity profile.

During the first half of 2026, the Group recorded a net profit of HK$138,639,000 (1H2025: HK$134,928,000), representing a year-on-year increase of approximately 2.8%. Despite the decrease in overall gross profit margin, the increase in net profit was mainly contributed by a one-off gain arising from the disposal of assets and the write-back of a provision related to a previous acquisition during the period. The Group also continued to implement cost reduction and efficiency enhancement measures, improve its production capacity structure and strengthen cash flow management.

In terms of capital expenditure, the Group's investments during the period were primarily focused on the construction of the Quang Ninh Industrial Park in Vietnam, capacity upgrades at the automotive industrial parks, and production lines and technology related to the ICT business. The Group also continued to advance the integration of the Weihai base and invest in new projects, including robotics, in order to optimise its production capacity structure. Supported by ample cash and cash equivalents together with undrawn banking facilities, the Group had sufficient financial resources to support its future business development and capital expenditure plans.

## SEGMENT BUSINESS REVIEW

### Office Automation ("OA") Equipment Business

The Group has cultivated deep-rooted expertise in the OA sector for more than three decades, providing one-stop services including mould development, component production and complete machine assembly for laser printers and multifunction printers to international leading brands and Chinese domestic customers. In the first half of 2026, the traditional OA supply chain remained in a phase of structural adjustment under the combined impact of ongoing Sino-US tensions, geopolitical risks, rising raw material prices and manufacturing costs, and more cautious end-market demand, with major customers generally tightening their order schedules.

During the period, due to higher raw material and manufacturing costs as well as cautious end-market demand, order momentum from several of the Group's major OA customers weakened, resulting in simultaneous declines in turnover and capacity utilisation at the Group's industrial parks in Vietnam and Mainland China and a year-on-year drop of approximately 5.6% in OA segment turnover. In response to the slowdown in order momentum, the Group continued to implement lean production, cost-reduction and efficiency-enhancement initiatives, while optimising its customer and product mix. Management will continue to leverage the dual-base layout in Mainland China and Vietnam, progressively upgrade its business from an OEM model towards an ODM model, increase the proportion of high-value-added products, while concurrently expanding into high-value-added and high-growth businesses such as, robotics and medical equipment, thereby strengthening the segment's medium- to long-term competitiveness.

**OA Equipment Business Performance by Geographical Region**

***Southern China (Shenzhen)***

In the first half of 2026, OA business turnover in Shenzhen recorded a slight year-on-year decline of approximately 1.6%. This was mainly due to certain high-end Japanese customers continuing to scale down their production in Mainland China compared with last year, coupled with more cautious order arrangements in light of tariffs and geopolitical risks, with some orders deferred to the second half of the year or shifted to production at Southeast Asian bases. Despite the gradual expansion of capacity in Southeast Asia, the Shenzhen base remains the Group's strategic operational hub for the OA business, undertaking core functions of R&D, project management, supply chain coordination and customer support. Through complementary collaboration in technology and capacity between Shenzhen and Vietnam, the Group helps customers flexibly adjust production layouts and supply solutions in the face of political, economic and climate uncertainties, thereby enhancing its overall resilience and long-term competitive advantage.

Faced with the relocation of orders to Southeast Asia and structural adjustments in Mainland China production capacity, the Shenzhen base has, on the one hand, deepened collaboration with international brand customers to flexibly allocate capacity between Mainland China and Vietnam, helping customers navigate changes in tariff and policy environments. On the other hand, it has actively expanded into non-OA fields such as robotics and medical equipment and, in line with the Group's development needs in these areas, has appropriately deployed R&D resources and production capacity at the Shenzhen plant to support such projects. These initiatives are progressively increasing the proportion of diversified businesses, enhancing product profitability, and reducing the impact of fluctuations in any single business or customer portfolio on the operations of the base.

***Eastern China (Suzhou)***

The Suzhou industrial park delivered relatively resilient performance in the first half of 2026, with OA business turnover increasing by approximately 10.6% year-on-year, mainly driven by steady ramp-up of certain existing projects and continuous optimisation of a diversified product portfolio. Against the backdrop of certain traditional customers relocating capacity to Southeast Asia, the Suzhou base has stabilised capacity utilisation and revenue scale by deepening product collaboration with existing customers and progressively increasing the proportion of orders in non-OA fields, such as smart mobility products.

During the period, the Suzhou industrial park continued to implement lean management and cost controls while actively developing new applications and new customers, reducing reliance on any single industry or customer. As the Group's business layout in Eastern China continues to deepen, the Suzhou base is expected to maintain a relatively stable growth trajectory, supported by a diversified product mix and higher-value-added orders.

***Northern China (Weihai)***

The Weihai industrial park primarily serves the domestic market and certain local brand customers and continued to be impacted by changes in Mainland China's printer consumption patterns during the period. In the first half of 2026, OA business turnover in Weihai declined by approximately 12.9% year-on-year, mainly because demand for high-end imported brand printers slowed in the Chinese market and consumers increasingly favoured mass-market office and home printing products. This led to continued downsizing in Mainland China production scales for some of the Group's high-end customers.

In response to structural changes in the domestic market, the Group continued its resource integration strategy and, in the first half of 2026, consolidated the operations of Weihai (Intops) into the Double Islands Bay industrial park, with an aim to centralise resources, enhance synergies and improve operating efficiency. At the same time, the Group actively capitalised on the broader trend of "domestication and independent controllability" in Chinese printing equipment, gradually extending its scope from component supply to complete machine R&D and product engineering. Through ODM and D-EMS models, the Group deepened cooperation with local brand customers, developing printer and scanner platforms that better match domestic market demand. Management believes that such self-developed complete machine capabilities and diversified product layout will enhance the Group's medium- to long-term competitiveness in Mainland China's domestic printer market, progressively increasing its participation in domestic brands and new applications, while mitigating the impact of declining traditional high-end orders on overall business.

*Vietnam*

The Vietnam industrial park continued to undertake part of the orders relocated from Southern China by Japanese brands in the first half of 2026. However, as the industry remains in a transitional phase of capacity migration to Southeast Asia and against the backdrop of customer destocking, rising raw material prices and manufacturing costs, major customers adopted more cautious shipment strategies, resulting in a decline of approximately 15.9% in OA business turnover.

To strengthen medium- to long-term capacity undertakings, construction of the Group's new industrial park in Quang Ninh, Vietnam, was substantially completed during the period. The new industrial park covers a land area of approximately 60,000 square metres, with Phase I factory GFA of around 64,000 square metres, and officially commenced operations in July 2026. As production lines and automation equipment gradually come on stream and capacity ramps up, the Quang Ninh industrial park is expected to significantly enhance Vietnam's overall capacity to undertake long-term orders transferred from Southern China, providing more stable and flexible capacity support. Management believes that Vietnam, leveraging its cost and policy advantages and geographical proximity to Mainland China, has the potential to become a major capacity base for the Group's OA business in the medium to long term, serving global customers' capacity deployment in Southeast Asia.

**OA Equipment Segment Results and Business Outlook**

In the first half of 2026, the OA equipment segment's capacity utilisation at its major bases decreased, putting pressure on its segment profit. Despite the recognition of a one-off gain arising from the disposal of the Weihai (Intops)'s assets and the write-back of a provision related to a previous acquisition during the period, which brought segment profit to approximately HK$171,518,000 (1H2025: HK$118,448,000) and increased the segment profit margin to 10.0% (1H2025: 6.5%), the segment profit margin decreased year-on-year to approximately 6.3% (1H2025: 6.5%) on an underlying basis after excluding the aforementioned one-off items. The decline was attributable to a combination of factors. On the one hand, traditional OA orders were affected by sustained increases in raw material prices and manufacturing costs, prompting customers to adopt more cautious views on end-market demand and shipment schedules, resulting in lower orders and shipment volumes in the first half and reduced capacity utilisation, which directly weighed on segment profit. On the other hand, during the period, the Group incurred relocation and related expenses in connection with the integration of Weihai (Intops) into the Double Islands Bay industrial park, and pre-production equipment investments and initial expenditures at the second industrial park in Quang Ninh, Vietnam, all of which were reflected in segment profit, exerting significant short-term pressure on earnings. In addition, the Group actively developed new projects and increased R&D investments to support the upgrade of traditional OA business upgrading towards ODM model, as well as business layouts in robotics and other new sectors, and such related costs were also recorded in the segment's results. Although these factors weighed on profitability in the short term, the related investments were made in support of the Group's medium- to long-term development strategy. Furthermore, the Group's longstanding efforts in lean production and cost-reduction and efficiency-enhancement, which focused on optimising production processes, improving yield rates and controlling indirect costs, effectively mitigated the negative impact of lower capacity utilisation on segment gross margin and profit. As a result, the earnings quality of the OA equipment segment remained relatively solid.

Looking ahead, management expects that as major customers' inventories gradually normalise, end-market demand and shipment schedules return to more normal levels, and tariffs and policy changes continue to accelerate capacity migration to Southeast Asia. In addition, following the official commissioning of the new Quang Ninh industrial park in July 2026, its gradual capacity ramp-up is expected to support the segment in undertaking transferred orders and enhancing its delivery capabilities. At the same time, the Group will continue to advance the OA business from traditional OEM model towards ODM and D-EMS models, stepping up investments in complete machine R&D and product engineering, deepening cooperation with international brands and Chinese domestic brands, increasing the proportion of high-value-added products and segment profit margin, and enhancing the OA business' resilience in the mainstream commercial printer market. Management believes that although the Group's current investments in capacity optimisation, base consolidation and R&D will exert short-term pressure on segment profit, they will help lay a more solid foundation for medium- to long-term growth after the structural adjustments in the industry are completed.

In parallel, the Group's robotics-related business has made tangible progress. Galaxy General is a Chinese embodied-intelligence humanoid robotics company, and its Galbot series has already been deployed in industrial, healthcare and retail sectors and has attracted considerable market attention. Leveraging its decades of accumulated strengths in precision manufacturing, welding processes and complete machine assembly in the OA segment, the Group has, since last year, provided component manufacturing, processing integration and complete machine assembly services for Galaxy General's humanoid robots and has now entered a stable mass delivery phase, demonstrating synergies across the embodied intelligence robot supply chain. Recently, the two parties further explored expanding the scope and capacity coverage of complete machine processing and assembly for humanoid robots on the existing cooperation foundation, which is expected to support Galaxy General's scale-up in its humanoid robot business and simultaneously drive expansion in the Group's robotics-related operations, opening up opportunities for deeper cooperation in more robot application scenarios in the future. The Group believes that by combining its own precision manufacturing and integration capabilities with Galaxy General's strengths in humanoid robotics and embodied intelligence technologies, the two parties are well-positioned to form a pattern of long-term complementarity and joint growth along the robotics industry chain, bringing substantial synergies and medium- to long-term growth potential to the Group.

**Automotive Component Business**

As aforementioned, despite the continued increase in electrification and intelligentisation penetration in the global automotive industry, overall profitability in Mainland China's automotive sector remained under significant pressure. Against this backdrop, the Group's automotive component segment recorded overall turnover growth of approximately 4.7%, mainly driven by revenue growth at the industrial parks in Shenzhen, Chongqing and Zhongshan. The Group will continue to enhance technical capabilities, promote product lightweighting and raise automation levels to improve production efficiency and cost competitiveness, while optimising its customer and project portfolio to focus on high-value-added NEV and intelligent-related orders, with the objective of gradually improving segment profit.

## Automotive Component Business by Region

### *Shenzhen*

The Shenzhen industrial park focuses on the R&D and manufacturing of automotive seat moulds and related products, with mould products primarily exported to Europe and the US, while also fulfilling orders from domestic and Japanese customers, thereby establishing a solid presence in international markets. In the first half of 2026, building on the growth trajectory in 2025, overseas customers' recognition of the Group's technical capabilities and quality continued to rise, driving robust export business growth and resulting in a significant year-on-year increase of approximately 54.6% in automotive component turnover in Shenzhen. This reflects sustained strong demand for precision moulds in European and other export markets and further consolidates the Group's reputation and comprehensive strengths in mould design and manufacturing internationally.

During the period, the Shenzhen industrial park remained focused on high-end seat moulds, securing several new orders for high-value-added mould and component projects. It continued to accumulate invention and utility model patents, enhance mould manufacturing and verification capabilities, and implement stringent quality management systems, reinforcing its positioning as an innovation hub serving global markets for the Group's automotive component business. Management expects that in the second half of the year, the base will continue to prioritise technology upgrades, engineering capabilities and delivery reliability, optimising its product mix and customer structure to maintain operational resilience through industry cycles and provide ongoing high-end mould R&D and manufacturing support for the medium- to long-term development of the automotive component segment.

### *Wuhan*

The Wuhan industrial park serves as the Group's technology development and operations control centre for the automotive component business, consistently providing core support to domestic and overseas bases through mould development, product R&D and technology output. In the first half of 2026, automotive component turnover at Wuhan recorded a modest year-on-year decline of approximately 5.4%, mainly because certain traditional vehicle models exited their previous mass-production peaks, as brands accelerated their transition towards NEVs and intelligent platforms. This led to notable declines in end-market sales for some fuel models, resulting in adjustments to orders and production schedules and exerting short-term pressure on Wuhan's revenue.

At the same time, new project development and nominations on NEV and intelligent platforms by relevant customers continued to increase, causing the Group's NEV order backlog in Wuhan to trend upwards. In addition to existing brands, the Wuhan industrial park successfully secured new projects during the year from NEV enterprises including Tesla, further expanding its customer and project base on NEV and intelligent vehicle platforms. As many fuel vehicle projects transition towards NEV and intelligent models, they must undergo development, validation and capacity ramp-up phases, and related orders are currently in the introduction and mass-production preparation stage. Once capacity is released, these projects are expected to progressively convert into revenue.

Despite the slight decline in turnover during the period, Wuhan's welding and assembly technology reserves related to seat frames, chassis assemblies and battery boxes continued to deepen. The base also accelerated product upgrades by reinforcing internal reforms and attracting talent. Going forward, Wuhan will continue to function as the central hub for technology and resource coordination, integrating capacity and technological strengths across Chongqing and Mexico, and supporting the Group's long-term development in the NEV and intelligentisation tracks.

***Chongqing***

As the Group's core base serving the Southwestern China market, the Chongqing industrial park has been in a rapid expansion phase in recent years, supported by policy tailwinds and the concentration of NEV project launches. In the first half of 2026, automotive component turnover in Chongqing grew by approximately 12.2% year-on-year, mainly driven by the ramp-up of multiple popular NEV and intelligent models from Changan Qiyuan, Deepal and Great Wall Motor, reflecting continued customer recognition of the Group's comprehensive capabilities in auto body engineering as well as module assembly and delivery of functional components in the region.

The Chongqing industrial park continued introducing advanced processes such as hot forming to meet the lightweight requirements of NEVs and further consolidate its technical advantages in high-strength body components. Management will continue to deepen long-term strategic partnerships with Great Wall Motor, Changan Automobile, SAIC-GM-Wuling and other quality OEMs, expanding the breadth of cooperation and project coverage and reinforcing the Group's positioning in the Southwestern and surrounding markets.

***Zhongshan***

Following an adjustment to its business development strategy, the Zhongshan industrial park has progressively extended its scope beyond traditional automotive components into fields covering NEV "new three-electric" systems (batteries, motors and electronic controls), in-vehicle electronics and power application value chains related to NEV charging such as photovoltaics-storage-charging systems. The aim is to evolve into a comprehensive solutions provider centred around NEVs and their power usage scenarios, covering "new three-electric", vehicle electronics and energy storage equipment structural components. In the first half of 2026, automotive component turnover in Zhongshan increased by approximately 5.3% year-on-year, delivering moderate growth despite subdued sales momentum at traditional Japanese OEMs. This was mainly attributable to growth in orders from its major automotive component customers, as well as the sustained ramp-up in "new three-electric" and in-vehicle electronics projects, which offset part of the decline in traditional Japanese-related business.

Facing intensified market competition, the Zhongshan industrial park continued to implement cost-reduction and efficiency-enhancement measures to optimise operating efficiency and cost structures, while accelerating diversification in its customer and business portfolio to reduce the impact of volatility in any single market on its development. The Group expects that as demand for NEVs and energy storage applications continues to expand, the Zhongshan base will capture greater growth opportunities in automotive and new energy-related power usage segments through businesses centred on battery box, motor and electronic control structural components, in-vehicle electronic modules, and enclosures for photovoltaics-storage-charging equipment related to NEV charging scenarios, while maintaining its role as a key component of the automotive segment.

***Mexico***

Serving as the Group's bridgehead for the North American automotive component market, the Mexico industrial park recorded overall turnover that was broadly stable in the first half of 2026, with a slight year-on-year increase of approximately 0.7%, reflecting relatively modest short-term revenue fluctuations during the ongoing customer and product mix adjustment process. During the period, the Mexican base remained focused on optimising its customer structure and concentrating on high-value-added projects. It also continued to advance the mass production of NEV mould orders secured through Wuhan, with newly nominated mass-production projects including projects for NEV brands such as Tesla. Supported by technological and management backing from Wuhan, it continued internal reforms, strengthening local management and achieving initial results in quality control, with key customers' quality ratings improving significantly during the period.

To cater for the sustained growth in demand for NEV and intelligent-related components in the North American market, the Group has gradually increased its investments in key equipment such as electrophoresis coating lines and laser welding for the Mexican industrial park. Related capacity is expected to commence operations around the end of 2026, further enhancing the base's technical capabilities and capacity scale in seat frames, battery pack structural components and other products, while driving upgrades in internal production and operations systems. Building upon this foundation, management will continue to expand a diversified customer base and service offerings for OEMs, focusing on high value-added seats and battery pack related product lines, with the goal of strengthening the Mexico base's role as a critical delivery hub for the Group's automotive component business in North America, and creating more opportunities to secure sustainable and long-term overseas orders for the Group's Mainland China automotive operations.

**Automotive Component Segment Results and Business Outlook**

In the first half of 2026, turnover in the automotive component segment recorded moderate growth, reflecting the Group's ability to maintain steady business expansion in a complex environment through NEV and intelligent model projects and export orders. However, due to continued industry margin compression caused by declining profitability in Mainland China's automotive sector, elevated raw material and other production costs and intensified price competition, and the limited and delayed pass-through of cost increases to customers, segment profit margin declined to approximately 3.3% (1H2025: 7.8%), with segment profit amounting to HK$39,203,000 (1H2025: HK$85,406,000), indicating that revenue growth did not fully offset the impact of cost and pricing pressures. During the period, the Group made upfront strategic investments in capacity deployment, automation upgrades and technology development for NEV and overseas customer projects at bases including Wuhan, Chongqing and Mexico. Related operating and R&D costs were progressively reflected in the financial statements, exerting further short-term pressure on segment profit. Management nevertheless believes that these investments will enhance the Group's medium- to long-term competitiveness in NEV and international markets and lay a solid foundation for capturing the next round of growth once structural realignment in the industry is completed.

Looking ahead, given intensifying competition and the risk of prolonged price wars globally, the Group expects short-term volatility in industry profit margins to continue exerting pressure on segment earnings. However, as NEV penetration further increases and intelligent-related applications accelerate, demand for body structural components, seat frames, battery boxes and "three-electric"-related components in Mainland China and overseas markets is expected to maintain structural growth momentum. The Group will continue to consolidate the technological and capacity advantages of the Wuhan and Chongqing industrial parks on domestic NEV and intelligent platforms, while expediting the layout of high-value-added product lines such as battery packs and seats at the Mexico base, thereby enhancing global delivery capabilities and risk resilience. Concurrently, the Group will persist in optimising its project and customer portfolio, prioritising higher-margin orders with long-term cooperation potential, and continuing to implement cost-reduction, efficiency-enhancement and lean management initiatives. Management aims, as industry profit margins stabilise and capacities across the Group's bases progressively ramp up, to gradually improve segment margins and earnings quality and reinforce the positioning of the automotive component segment as the Group's second core growth engine.

**Information and Communications Technology ("ICT") Business**

The ICT business, which has been a strategic focus of the Group in recent years, concentrates on R&D and production of precision structural components for AI computing servers, switches, memory devices and other equipment enclosures. In the first half of 2026, the ICT segment sustained strong growth momentum, with turnover surging by approximately 33.4% year-on-year to HK$267,967,000 (1H2025: HK$200,874,000). The segment made comprehensive progress in business scale, customer mix and technological capabilities and has become one of the Group's principal growth engines. Supported by continued global expansion in data centre construction and energy storage applications, together with rising AI computing and cloud computing demand, order quality and value-added in the Group's server cabinet and energy storage equipment product lines have steadily improved.

During the period, the Group continued to advance laser welding and automation technologies, enhancing manufacturing capabilities and quality for ICT products, while actively expanding its domestic and overseas customer base and further broadening its customer portfolio and product coverage. Although the turnover base of the ICT segment remains smaller relative to the OA and automotive segments, its growth rate and earnings quality are both outstanding. Management expects the ICT segment's contribution to the Group's overall turnover to rise to double-digit levels in the medium term, positioning it as the Group's third core growth engine.

**ICT Segment Results and Business Outlook**

In the first half of 2026, ICT segment turnover increased significantly year-on-year, reflecting the Group's success in capitalising on structural opportunities arising from the global expansion of data centre construction and energy storage application expansion, as well as the growing demand for precision structural components for servers and energy storage equipment driven by AI computing and cloud computing. During the period, to accommodate rapid order growth from core customers and the onboarding of new projects, the Group prepared to establish an additional plant in Dongguan and undertook preliminary planning and preparations for the commissioning of the new plant, including the deployment of the relevant manpower and equipment and capacity arrangements, with a view to enhancing future capacity flexibility and delivery capabilities. The new Dongguan plant officially commenced operations in July 2026, and its related capacity is expected to be progressively ramped up during the second half of the year. Furthermore, the Group continued to invest in product and technology development, including new projects such as liquid-cooled sealed enclosures. The aforementioned preliminary preparations, together with the segment's relatively small profit base and increased production and operating costs during the period, resulted in the ICT segment's profit margin declining to approximately 6.2% (1H2025: 9.3%), while segment profit amounting to HK$16,625,000 (1H2025: HK$20,514,000).

Management considers the preliminary capacity planning and technology reserves relating to the new Dongguan plant to be strategic, forward-looking initiatives designed to establish a robust capacity foundation in advance for medium- to long-term orders from core and new customers. By leveraging the Group's strengths in laser welding, automated manufacturing and digital management systems, these initiatives are expected to further strengthen the ICT segment's competitiveness in structural components for servers and energy storage equipment. As new capacity in Dongguan gradually ramps up, yield rates improve and economies of scale materialise, and as the Group continues to optimise its portfolio of high-tech domestic and overseas customers, ICT segment turnover and profit are expected to grow in tandem, with segment margins returning to an upward trajectory as business volumes expand and one-off investments are progressively absorbed. The Group will continue increasing investments in core ICT technology R&D and automation, expanding product lines and customer coverage, and strives to raise the ICT segment's contribution to double-digit levels in the medium to long term, establishing it as the Group's third core growth engine alongside OA equipment and automotive components.

## PROSPECT

Looking ahead to the second half of 2026 and beyond, the global economy is expected to continue facing multiple uncertainties arising from geopolitical tensions, trade frictions and divergent growth trajectories across regions, although the overall global manufacturing sector is projected to sustain moderate growth, with Asia, particularly Mainland China and Southeast Asia, remaining key drivers. AI-related investments, data centre construction and rising NEV penetration will continue to bring structural opportunities to electronics-related industries, the ICT and automotive components sectors. Meanwhile, the evolution of Sino-US relations and tariff policies, raw material price volatility and intensifying competition will continue to pose operational challenges for the OA and automotive supply chains.

In this context, the Group will advance its business along the following four strategic directions: (i) accelerate the upgrade and capacity restructuring of the OA business by optimising the Mainland China and Vietnam capacity structure, increasing collaboration with Chinese domestic brands and "Xinchuang"-related initiatives, promoting the upgrade from OEM model to ODM model, and expanding diversified revenue sources through new application areas such as robotics and medical equipment; (ii) continue to expedite growth in the ICT segment by capturing equipment and energy storage demand driven by AI and data centres, broadening product and customer coverage, and striving to raise its contribution to the Group's turnover to double-digit levels in the medium term; (iii) strengthen operational capabilities in the automotive component business by focusing on high-value-added NEV and intelligent-related projects, deepening synergies among bases in Wuhan, Chongqing, Shenzhen, Zhongshan and Mexico, and enhancing global delivery capabilities and risk resilience; and (iv) further improve operating efficiency and financial resilience by prudently planning capital expenditures, making appropriate use of bank financing to support medium- to long-term development, and maintaining the current ratio and net debt-to-equity ratio at healthy levels, thereby providing solid support for capturing medium- to long-term opportunities arising from industry upgrades and supply chain restructuring amid a volatile environment.

Management is confident that, leveraging the Group's technological advantages in precision manufacturing, product engineering and automation, as well as its diversified and globalised business layout, the Group will be able to continue optimising its business structure and seize opportunities arising from the complex and evolving external landscape, creating sustainable long-term value for shareholders and other stakeholders.

## FINANCIAL REVIEW

An analysis of the Group's turnover and results by segment is as follows:

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | ***HK$'000*** | | *HK$'000* | |
| **By business segment** | | | | |
| **Turnover** | | | | |
| *Office automation equipment division* | | | | |
| Design and fabrication of moulds | **69,825** | **2.3%** | 50,874 | 1.7% |
| Manufacturing of components | **1,627,904** | **53.0%** | 1,746,582 | 57.2% |
| Others *(Note 1)* | **16,647** | **0.5%** | 18,205 | 0.6% |
| | **1,714,376** | **55.8%** | 1,815,661 | 59.5% |
| *Automotive component division* | | | | |
| Design and fabrication of moulds | **119,103** | **3.9%** | 60,837 | 2.0% |
| Manufacturing of components | **908,474** | **29.6%** | 931,550 | 30.5% |
| Others *(Note 1)* | **60,219** | **2.0%** | 46,405 | 1.5% |
| | **1,087,796** | **35.5%** | 1,038,792 | 34.0% |
| Information and communication technology division | | | | |
| Design and fabrication of moulds | **23,326** | **0.7%** | 24,877 | 0.8% |
| Manufacturing of components | **243,633** | **7.9%** | 175,585 | 5.7% |
| Others *(Note 1)* | **1,008** | **0.1%** | 412 | 0.0% |
| | **267,967** | **8.7%** | 200,874 | 6.5% |
| Total | **3,070,139** | | 3,055,327 | |
| **Segment results** | | | | |
| Office automation equipment division | **171,518** | | 118,448 | |
| Automotive component division | **38,203** | | 85,406 | |
| Information and communication technology division | **16,625** | | 20,514 | |
| Operating profit | **226,346** | | 224,368 | |
| Unallocated expenses | **(16,372)** | | (16,478) | |
| Finance income | **14,577** | | 15,207 | |
| Finance costs | **(55,592)** | | (57,477) | |
| Share of (losses)/profits of associates | **(671)** | | 257 | |
| Income tax expense | **(29,649)** | | (30,949) | |
| Profit attributable to equity holders of the Company | **138,639** | | 134,928 | |

*Note 1:* Others mainly represented sales of scrap materials.

**Turnover**

During the period, the office automation ("OA") equipment business segment continued to face a downturn. Nevertheless, the Group managed to maintain a slight growth in turnover, which increased slightly by 0.5% to HK$3,070,139,000, primarily contributed by stronger order momentum in the Group's automotive component and the information and communication technology ("ICT") segments, which partially offset the decline in the OA equipment business.

**Gross profit**

The Group's gross profit margin decreased from 20.3% in the corresponding period last year to 19.0%, mainly due to the decline in the OA business, the challenging industry-wide pricing environment in the automotive components sector, and higher operating and upfront costs across the Group's three business segments. These included higher production costs associated with raw materials, labour and overheads, as well as the initial ramp-up of certain production lines and facilities, in addition to lower capacity utilisation.

**Segment results**

At the segment level, the OA equipment segment's profit margin increased from 6.5% in the first half of 2025 to 10.0% during the period. However, the segment margin for the period included a one-off gain from the disposal of the Weihai (Intops)'s factory premises and land, as well as the write-back of a provision related to a previous acquisition. Excluding these non-recurring items, the OA segment's underlying profit margin would have been approximately 6.3%. This underlying performance was generally consistent with the decline in OA turnover and lower capacity utilisation resulting from order deferrals, order relocation and continued weakness in the traditional OA market while facing rising operating costs.

The automotive components segment's profit margin decreased from 7.8% to 3.3%, despite a 4.7% year-on-year increase in turnover. The decline mainly reflected industry-wide pricing pressure amid intensifying competition, the limited and delayed pass-through of higher raw material costs to customers, and upfront strategic investments in capacity deployment and automation upgrades for NEV and overseas projects.

The ICT segment's profit margin decreased from 9.3% to 6.2%. Given the relatively small profit base, the decline mainly reflected increased operating costs associated with higher production costs, and the preliminary planning and capacity deployment preparations for the new Dongguan plant, as well as higher R&D expenditure, including investments in new product development such as liquid-cooling sealed enclosures. These upfront investments temporarily weighed on the segment's profitability despite strong revenue growth driven by demand for data centre and energy storage applications.

**Unallocated expenses**

During the period, unallocated expenses mainly represent corporate expenses of HK$16,373,000 (1H2025: HK$16,478,000).

### Finance income and costs

For the six months ended 30 June 2026, the Group recorded a decrease in both finance income and finance costs as a result of an overall drop in market interest rates.

### Share of (losses)/profits of associates

Share of (losses)/profits of associates represents the Group's share of 49% of the loss of Austem Digital Model (Wuhan) Automotive Parts Co., Ltd. and share of 40% of the profit of the micro lending business through equity pick-up.

### Income tax expense

Income tax expense for the six months ended 30 June 2026 mainly represents current income tax charge amounting to HK$34,636,000 arising from the PRC corporate income tax and HK$5,828,000 arising from overseas corporate income tax, and over-provision in prior years amounting to HK$10,245,000, netted off by deferred income tax credit of HK$570,000.

### Profit attributable to equity holders of the Company

Profit attributable to equity holders of the Company increased slightly to HK$138,639,000 (1H2025: HK$134,928,000) during the six months ended 30 June 2026, notwithstanding the year-on-year decline in operating profit across all three business segments. The impact was more than offset by the one-off gain from the disposal of the Weihai Intops factory premises and land and the write-off of a provision related to a previous acquisition.

## LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2026, the Group recorded higher net cash generated from operating activities of HK$332,644,000 (1H2025: HK$277,032,000), despite weaker overall operating performance. This was mainly driven by favourable working capital movements, including improved management of inventories, trade receivables and trade payables. During the period, the Group's capital expenditure increased to HK$325,926,000, mainly due to construction works at the new industrial park in Quang Ninh Province, Vietnam prior to its commissioning in July 2026, as well as upfront investments in capacity upgrades and R&D activities, including automation for automotive projects and liquid-cooling product development in the ICT segment. These outflows were partly offset by proceeds from the sale of property, plant and equipment, including the disposal of the Weihai (Intops) factory premises and land, amounting to HK$76,646,000, and by a decrease in restricted bank deposits of HK$32,227,000. As a result, the Group recorded net cash used in investing activities of HK$223,775,000 (1H2025: HK$179,055,000). The Group recorded a net increase in bank borrowings of HK$207,296,000 and lease payments of HK$17,098,000 during the Period. After payment of dividends amounting to HK$33,051,000, the Group recorded net cash used in financing activities of HK$157,147,000 during the Period (1H2025: HK$91,067,000).

**Treasury policy**

The Group adopts a prudent treasury policy. Treasury activities are controlled by senior management members with an objective of achieving a balance between the Group's expansion needs and its financial stability. An adequate level of cash resources is maintained by each of the Group's subsidiaries, and the Group also has sufficient stand-by credit lines to provide adequate liquid funds to finance its business activities. Due consideration is given for the cost of borrowings. We also consider impacts of interest rates fluctuation on our operations and financial condition, and take appropriate and timely measures accordingly. In addition, as a majority of the Group's sales are made in Hong Kong dollars and United States dollars (which are pegged), majority of the Group's borrowings as at 30 June 2026 were denominated in Hong Kong dollars and United States dollars to match repayment currency with the Group's major source of operating cash inflows. Looking ahead, the Group will adhere to conservative financial management policies and remain committed to maintaining a healthy balance sheet.

## KEY FINANCIAL PERFORMANCE INDICATORS

### (a) Liquidity and capital adequacy ratios

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| Inventory turnover days *(Notes 1 and 5)* | **58** | 63 |
| Debtors' turnover days *(Notes 2 and 5)* | **107** | 107 |
| Creditors' turnover days *(Notes 3 and 5)* | **121** | 120 |
| Cash conversion cycle *(Notes 4 and 5)* | **44** | 50 |
| Current ratio *(Notes 6 and 8)* | **1.35** | 1.36 |
| Net debt-to-equity ratio *(Notes 7 and 8)* | **12.1%** | 14.1% |

### (b) Profitability ratios

| | **30 June 2026** | 30 June 2025 |
|---|---|---|
| Net profit margin *(Notes 9 and 11)* | **4.5%** | 4.4% |
| Return on shareholders' equity *(Notes 10 and 11)* | **4.0%** | 4.1% |

*Notes:*

1. Calculation of inventory turnover days is based on the ending inventories divided by cost of sales and multiplied by the number of days during the period.

2. Calculation of debtors' turnover days is based on the ending balance of trade receivables divided by turnover and multiplied by the number of days during the period.

3. Calculation of creditors' turnover days is based on the ending balance of trade payables divided by cost of sales and multiplied by the number of days during the period.

4. Cash conversion cycle is defined as the total sum of inventory and debtors' turnover days less creditors' turnover days.

5. These ratios have a significant impact on the ability of the Group to generate cash flows from its operations. Therefore, they are selected as key financial performance indicators.

6. Current ratio is calculated based on the Group's total current assets divided by total current liabilities.

7. Net debt-to-equity ratio is calculated based on the total balance of bank borrowings and lease liabilities less cash and bank balances divided by shareholders' equity. Lease liabilities exclude the rentals for factory and office premises in future periods amounting to HK$88,948,000 as at 30 June 2026 (as at 31 December 2025: HK$100,247,000). These rentals have not yet been expensed, but are deemed as lease liabilities under the Hong Kong Financial Reporting Standard 16 "Leases". The ownership of the related factory and office premises is not held by the Group.

8. These ratios reflect the Group's financial stability and its ability to pay its debts as they fall due. Therefore, they are selected as key financial performance indicators.

9. Net profit margin is based on profit attributable to equity holders of the Company divided by turnover.

10. Return on shareholders' equity is based on profit attributable to equity holders of the Company divided by shareholders' equity.

11. These ratios reflect the Group's ability to generate returns from its business, and the returns obtainable by shareholders from their investments in the Group. Therefore, they are selected as key financial performance indicators. Ratios for the six months ended 30 June 2025 and 2026 were calculated using the half-year profit of the Group for the respective periods.

## Inventory turnover days

For the six months ended 30 June 2026, the Group's inventory turnover days recovered to 58 days from 63 days as at 31 December 2025, primarily reflecting the gradual and normal digestion of the temporary inventory build-up that occurred at the end of 2025 due to delayed shipment schedules by certain OA customers.

### Debtors' and creditors' turnover days

Debtors' turnover days remained constant at approximately 107 days as at 30 June 2026, mainly reflecting a generally stable customer and business mix with established billing and collection terms.

Creditors' turnover days increased to approximately 121 days as at 30 June 2026, mainly due to the timing of settlements around the reporting date. The Group's trade payables remained within the credit terms granted by suppliers.

### Cash conversion cycle

The decrease in cash conversion cycle in the first half of 2025 was mainly caused by the decrease in inventory turnover days and increase in creditors' turnover days as mentioned above.

### Current ratio and net debt-to-equity ratio

The Group's current ratio remained relatively stable as at 30 June 2026, as the cash proceeds from the disposal of the Weihai Intops factory premises and land, together with favourable working capital movements, were largely offset by an increase in short-term borrowings.

Meanwhile, the net debt-to-equity ratio improved further from 14.1% to 12.1%. This was mainly attributable to a net increase in cash and cash equivalents, as the increase in cash exceeded the increase in borrowings during the period. The ratio was further supported by growth in shareholders' equity, contributed by profit for the period and other comprehensive income.

### Net profit margin and return on shareholders' equity

The relatively stable net profit margin and return on shareholders' equity during the period as compared to the first half of 2025 was mainly due to factors as discussed in the section headed "Financial Review" above.

## FOREIGN CURRENCY EXPOSURE

For the six months ended 30 June 2026, the Group's sales and raw material purchases were denominated in the following currencies:

| | **Sales** | **Purchases** |
|---|---:|---:|
| Hong Kong dollars | 12.6% | 1.3% |
| US dollars | 44.8% | 45.3% |
| Renminbi | 41.2% | 52.7% |
| Other currencies | 1.4% | 0.7% |

A majority of the Group's customers and suppliers in China, Vietnam and Mexico are reputable international companies which use United States dollars (USD) as settlement currency. Accordingly, approximately 57.4% of the Group's sales and 46.6% of its raw material purchases were made in USD and Hong Kong dollars (HKD) (which are pegged to USD) during the period. The Group also has a policy of using Renminbi to settle the purchases of raw materials used for Renminbi denominated sales. Sales and raw material purchases denominated in currencies other than USD, HKD and Renminbi were mainly related to initial trial orders with new customers and suppliers, and therefore their percentages to our total turnover and purchases were small. Should these sales and raw material purchases increase in the future, we will take appropriate actions to safeguard ourselves from any potential exchange rate risk that may arise from dealing in other currencies. Further, it is the Group's policy to strictly prohibit any speculative foreign exchange transaction which is not related to business operations.

At present, although the Group endeavours to transact sales and raw material purchases in matching currencies, the percentage of the Group's raw material purchases in Renminbi is still larger than the percentage of its sales in Renminbi due to the Group's substantial production operations in China. However, management is of the view that the exchange rate risk is not high because Renminbi is used to settle the purchase of raw materials used for Renminbi denominated sales and the portion of Renminbi purchase that is not naturally hedged is not large. Going forward, management will continue to evaluate the Group's foreign currency exposure on a continuing basis and takes actions to minimise the Group's exposure whenever necessary.

**HUMAN RESOURCES**

The total number of the Group's employees was 10,371 as at 30 June 2026. The Group considers its employees, in particular, the skilled engineers and production management members, as its core assets since the Group's future success relies on the strengthening of its product quality and management on a continuing basis. Remuneration policy is reviewed regularly, making reference to the prevailing legal framework, market conditions and performance of the Group and individual staff. Share option schemes were adopted to attract and retain talents to contribute to the Group. However, apart from providing attractive remuneration packages, management believes that the creation of a harmonious working environment suitable for the development of employees' potentials is also important for attracting and retaining qualified staff for its future success. Training programmes are offered to employees for their continuous development. Besides, various employee activities were organised to inspire the team spirit of the Group's staff, which included the organisation of company outings and sport activities in which the Group's employees, top management (including executive directors) and customers participated. Substantial resources were also devoted to improve the factory and dormitory environment of the Group with a view to providing an attractive working and living environment for the Group's employees.

As at 30 June 2026, the average length of services of the Group's employees below and above manager grade was 3.8 years and 8.5 years respectively.

## CHARGES ON THE GROUP'S ASSETS

As at 30 June 2026, there was no charge on the Group's assets.

## PURCHASES, SALE AND REDEMPTION OF THE SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the six months ended 30 June 2026 and up to the date of this announcement.

## PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands where the Company is incorporated.

## DIVIDEND

The Board declared an interim dividend of HK2.4 cents per ordinary share, totaling HK$41,531,000 for the six months ended 30 June 2026 to eligible shareholders whose names appear on the register of members of the Company on Thursday, 17 September 2026. The interim dividend will be payable in cash on Monday, 28 September 2026.

## CLOSURE OF REGISTER OF MEMBERS

To determine eligibility for the interim dividend, the register of members of the Company will be closed from Tuesday, 15 September 2026 to Thursday, 17 September 2026, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited, at 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 Monday, 14 September 2026.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Having made specific enquiry of all directors, the Company reported that all directors had complied with the required standards set out in the Model Code during the six months ended 30 June 2026.

## CORPORATE GOVERNANCE

The Company and the directors confirm, to the best of their knowledge, that the Company has complied with the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2026.

## AUDIT COMMITTEE

The Company has set up an audit committee, in accordance with the requirements of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules, for the purpose of reviewing and overseeing the auditing, financial reporting process, risk management, internal control and corporate governance matters of the Group. The audit committee comprises the three independent non-executive directors, namely, Ms. Ling Kit Sum, Mr. Lam Hiu Lo and Dr. Chai Ngai Chiu Sunny, with Ms. Ling Kit Sum as the chairman. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control, corporate governance and financial reporting matters with management including a review of the unaudited interim financial statements and the interim report for the six months ended 30 June 2026.

By order of the Board
**Zhang Hwo Jie**
*Chairman*

Hong Kong, 26 August 2026

*As at the date of this announcement, the Board comprises three executive directors, being Mr. Zhang Hwo Jie (Chairman), Mr. Zhang Yaohua (Chief Executive) and Ms. Zhang Yan Yi and three independent non-executive directors, being Mr. Lam Hiu Lo, Dr. Chai Ngai Chiu Sunny and Ms. Ling Kit Sum.*