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HYBRID KINETIC GROUP LIMITED

正道集團有限公司

(incorporated in Bermuda with limited liability)

(Stock Code: 1188)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the “**Board**” or the “**Directors**”) of Hybrid Kinetic Group Limited (the “**Company**”) would like to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2026 (the “**Period**”) together with the comparative figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Restated)
Continuing operations			
Revenue	4	45,452	6,764
Cost of sales		(30,139)	(4,058)
Gross profit		15,313	2,706
Other income	5	13,403	1
Selling and distribution expenses		(1,074)	(156)
Administrative expenses		(7,284)	(2,315)
Profit from operations		20,358	236
Finance costs	6	(6,897)	–
Profit before tax		13,461	236
Income tax expense	7	(5)	–

		Six months ended 30 June	
		2026	2025
<i>Notes</i>		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
			(Restated)
Profit for the Period from continuing operations		13,456	236
Discontinued operations			
Profit for the Period from discontinued operations		–	–
Profit for the Period	8	13,456	236
Other comprehensive income/(expense):			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		33	(178)
Other comprehensive income/(loss) for the Period		33	(178)
Total comprehensive income for the Period		13,489	58
Profit for the period attributable to owners of the Company:			
– Continuing operations		13,441	290
– Discontinued operations		–	–
		13,441	290
Profit/(loss) for the period attributable to non-controlling interests:			
– Continuing operations		15	(54)
– Discontinued operations		–	–
		15	(54)
Total comprehensive income attributable to owners of the Company:			
– Continuing operations		13,474	70
– Discontinued operations		–	–
		13,474	70
Total comprehensive income/(expense) attributable to non-controlling interests:			
– Continuing operations		15	(12)
– Discontinued operations		–	–
		15	(12)
		HK cents	HK cents
Earnings per share	10		
From continuing and discontinued operations			
– Basic		0.07	0.01
– Diluted		0.07	0.01
From continuing operations			
– Basic		0.07	0.01
– Diluted		0.07	0.01
From discontinued operations			
– Basic		–	–
– Diluted		–	–

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	At 30 June 2026 HK\$'000 (Unaudited)	At 31 December 2025 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	11	366	261
Right-of-use assets		57	85
		<u>423</u>	<u>346</u>
Current assets			
Inventories		21,698	5,651
Trade receivables	12	14,431	32,395
Prepayments and other receivables		24	24
Bank and cash balances		12,118	14,588
		<u>48,271</u>	<u>52,658</u>
Current liabilities			
Trade payables	13	13,187	21,306
Other payables		14,237	28,830
Amount due to a related party	14	8,719	8,719
Lease liabilities		59	57
Income tax payables		648	2,602
		<u>36,850</u>	<u>61,514</u>
Net current asset/(liabilities)		<u>11,421</u>	<u>(8,856)</u>
Total assets less current liabilities		<u>11,844</u>	<u>(8,510)</u>
Non-current liabilities			
Amount due to a former director	15	21,426	19,958
Loan from a shareholder	16	83,004	77,577
Lease liabilities		–	30
		<u>104,430</u>	<u>97,565</u>
NET LIABILITIES		<u>(92,586)</u>	<u>(106,075)</u>
Capital and reserves			
Share capital	17	2,035,287	2,035,287
Reserves		(2,127,931)	(2,141,405)
Equity attributable to owners of the Company		<u>(92,644)</u>	<u>(106,118)</u>
Non-controlling interests		58	43
TOTAL DEFICIT		<u>(92,586)</u>	<u>(106,075)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2026

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Share-based payment reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Equity investment revaluation reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2025 (Audited)	2,035,287	2,123,214	(48,626)	130,206	–	(23,901)	(70,363)	(4,359,730)	(213,913)	1,238	(212,675)
Total comprehensive income/(loss) for the Period	–	–	(220)	–	–	–	–	290	70	(12)	58
At 30 June 2025 (Unaudited)	<u>2,035,287</u>	<u>2,123,214</u>	<u>(48,846)</u>	<u>130,206</u>	<u>–</u>	<u>(23,901)</u>	<u>(70,363)</u>	<u>(4,359,440)</u>	<u>(213,843)</u>	<u>1,226</u>	<u>(212,617)</u>
At 1 January 2026 (Audited)	2,035,287	2,123,214	(198)	3,830	22,537	–	–	(4,290,788)	(106,118)	43	(106,075)
Total comprehensive income for the Period	–	–	33	–	–	–	–	13,441	13,474	15	13,489
At 30 June 2026 (Unaudited)	<u>2,035,287</u>	<u>2,123,214</u>	<u>(165)</u>	<u>3,830</u>	<u>22,537</u>	<u>–</u>	<u>–</u>	<u>(4,277,347)</u>	<u>(92,644)</u>	<u>58</u>	<u>(92,586)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(2,293)	14
Cash flows from investing activities		
Cash used in acquisition of property, plant and equipment	(200)	–
Net cash used in investing activities	(200)	–
Cash flows from financing activities		
Interest paid	(2)	–
Repayment for lease liabilities	(28)	–
Net cash used in financing activities	(30)	–
Net (decrease)/increase in cash and cash equivalents	(2,523)	14
Cash and cash equivalents at beginning of period	14,588	202
Effect of changes in foreign exchange rate	53	(7)
Cash and cash equivalents at end of period	12,118	209
Analysis of cash and cash equivalents		
Bank and cash balances	12,118	209

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Hybrid Kinetic Group Limited was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The address of its principal place of business is Suite 707, 7/F., No. 12 Taikoo Wan Road, Taikoo, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

In the opinion of the directors (the "**Directors**") of the Company, the Company has no immediate and ultimate holding Company or ultimate controlling party.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively, the "**Group**") were sales of vehicle batteries and spare parts, and sales and production of short movies.

During the year ended 31 December 2025, the Group had discontinued the operation of (i) High-tech electric motor vehicles; and (ii) Advanced batteries materials through disposal of subsidiaries. And during the year ended 31 December 2025, the Group commenced new business, sales and production of short media.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of an unaudited condensed consolidated interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

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

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current period

In the current period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2026 for the preparation of the unaudited condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS Accounting Standards – Volume 11	Annual Improvements to HKFRS Accounting Standards
Amendments to HKFRS 9 and HKFRS 7	Amendments to Contracts Referencing Nature-dependent Electricity

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the unaudited condensed consolidated financial statements.

4. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different business strategies. The Group has the followings reportable segments:

Continuing operations

(i) *Vehicle batteries and spare parts*

Sales of vehicle batteries and spare parts (renamed from “**Battery management systems and spare parts**” in year 2025)

(ii) *Production of short movies*

Sales and production of short movies (new business commenced in year 2025)

Discontinued operations

(i) *High-tech electric motor vehicles*

Development of high-tech electric motor vehicles, development (This segment contributed nil revenue since year 2021 and has been discontinued by the Directors and no longer reported as a reportable segment.)

(ii) *Advanced batteries materials*

Development of advanced batteries materials (This segment contributed nil revenue since year 2021 and has been discontinued by the Directors and no longer reported as a reportable segment.)

Segment profits or losses do not include unallocated corporate income and expenses. Segment assets do not include unallocated corporate assets. Segment liabilities do not include unallocated corporate liabilities.

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

	Continuing operations		
	Vehicles batteries and spare parts <i>HK\$'000</i>	Production of short movies <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30 June 2026:			
Revenue from external customers	<u>43,525</u>	<u>1,927</u>	<u>45,452</u>
Segment result	<u>10,429</u>	<u>553</u>	<u>10,982</u>
Other unallocated income			13,400
Other unallocated expenses			(4,024)
Finance costs			<u>(6,897)</u>
Profit before tax			13,461
Income tax expense			<u>(5)</u>
Profit for the Period			<u><u>13,456</u></u>

	Continuing operations		Discontinued operations		Total <i>HK\$'000</i>
	Vehicles batteries and spare parts <i>HK\$'000</i>	Production of short movies <i>HK\$'000</i>	High-tech electric motor vehicles <i>HK\$'000</i>	Advanced batteries materials <i>HK\$'000</i>	
For the six months ended 30 June 2025:					
Revenue from external customers	<u>5,690</u>	<u>1,074</u>	<u>–</u>	<u>–</u>	<u>6,764</u>
Segment result	<u>1,908</u>	<u>423</u>	<u>–</u>	<u>–</u>	<u>2,331</u>
Other unallocated income					1
Other unallocated expenses					(2,096)
Finance costs					<u>–</u>
Profit before tax					236
Income tax expense					<u>–</u>
Profit for the Period					<u><u>236</u></u>

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

	At 30 June 2026 HK\$'000 (Unaudited)	At 31 December 2025 HK\$'000 (Audited)
Assets:		
Sales of batteries and spare parts	37,137	44,527
Production of short movies	<u>1,939</u>	<u>1,193</u>
 Total assets of reportable segments	 39,076	 45,720
Corporate and unallocated assets	<u>9,618</u>	<u>7,284</u>
 Consolidated total assets	 <u>48,694</u>	 <u>53,004</u>
 Liabilities:		
Sales of batteries and spare parts	32,278	41,116
Production of short movies	<u>119</u>	<u>96</u>
 Total liabilities of reportable segments	 32,397	 41,212
Corporate and unallocated liabilities – Others	<u>108,883</u>	<u>117,867</u>
 Consolidated total liabilities	 <u>141,280</u>	 <u>159,079</u>

(c) Other segment information

	Continuing operations		
	Vehicles batteries and spare parts HK\$'000	Production of short movies HK\$'000	Total HK\$'000
For the six months ended 30 June 2026:			
Depreciation of property, plant and equipment	(95)	–	(95)
Depreciation of right-of-use assets	(28)	–	(28)
Additions to property, plant and equipment	<u>200</u>	<u>–</u>	<u>200</u>
	Continuing operations		
	Vehicles batteries and spare parts HK\$'000	Production of short movies HK\$'000	Total HK\$'000
For the six months ended 30 June 2025:			
Depreciation of property, plant and equipment	–	–	–
Depreciation of right-of-use assets	<u>–</u>	<u>–</u>	<u>–</u>

Geographical information:

In presenting the geographical information, revenue is based on the location of the customers.

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
PRC	1,927	6,764
Hong Kong	43,525	–
	45,452	6,764

Revenue from major customers:

Details of the customers individually representing 10% or more of the Group's revenue from continuing operations are as follows:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Vehicles batteries and spare parts		
Customer A	4,925	–
Customer B	–	5,690

Except disclosed above, no other customers contributed 10% or more to the Group's revenue from continuing operations for the six months ended 30 June 2026 and 2025.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2026	2025	At 30 June	At 31 December
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC	1,927	6,764	39	117
Hong Kong	43,525	–	384	229

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Over accrual of staff costs in previous years	13,400	–
Others	3	1
	<u>13,403</u>	<u>1</u>

6. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Interest on lease liabilities	2	–
Imputed interest on amount due to a director	1,468	–
Imputed interest on loan from a shareholder	5,427	–
	<u>6,897</u>	<u>–</u>

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Continuing operations		
Current tax – Hong Kong Profits Tax	4	–
Current tax – PRC Corporate Income Tax	1	–
	<u>5</u>	<u>–</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax from continuing operations has been made for the six months ended 30 June 2025 as the Group did not generate any assessable profits arising in Hong Kong.

Under the law of the PRC on Enterprise Income Tax (the “EIT law”) and implementation regulation of the EIT law, the tax rate of the Group’s subsidiary in the PRC is 25% (2025: 25%). No PRC income tax has been provided as the Group’s subsidiaries in the PRC did not have any assessable profit for the six months ended 30 June 2025.

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

The Group is not subject to taxation in other jurisdictions.

8. PROFIT FOR THE PERIOD

The Group’s profit for the Period is stated after charging the following:

	Six months ended 30 June	
	2026	2025
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Continuing operations:		
Cost of inventories recognised as an expense	28,958	4,058
Depreciation of property, plant and equipment	95	–
Depreciation of right-of-use assets	28	–
Staff costs including directors’ emoluments		
– Salaries, bonus and allowances	2,369	862
– Retirement benefits scheme contributions	32	52
	2,401	914

9. DIVIDENDS

The Directors do not recommend or declare the payment of any dividend in respect of the Period (six months ended 30 June 2025: nil).

10. EARNING PER SHARE

	Six months ended 30 June	
	2026	2025
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Profit		
Profit for the purpose of basic and diluted earnings per share attributable to owners of the Company		
– Continuing operations	13,441	290
– Discontinued operations	–	–
	13,441	290

	Six months ended 30 June	
	2026	2025
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	20,352,873	20,352,873
Effect of dilutive potential ordinary share arising from share options	25,000	–
Weighted average number of shares that would have been issued at average market prices	(5,292)	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	20,372,581	20,352,873

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, additions to the Group's property, plant and equipment were approximately HK\$200,000 (2025: nil). There was no disposal during the six months ended 30 June 2026 (2025: nil).

12. TRADE RECEIVABLES

	At 30 June 2026 HK\$'000 (Unaudited)	At 31 December 2025 HK\$'000 (Audited)
Trade receivables	14,516	32,480
Less: impairment losses	(85)	(85)
	14,431	32,395

The credit period granted by the Group to customers for both sales of vehicle batteries and spare parts and production of short movies business are not more than three months from the date of recognition of the sale.

The aging analysis of the Group's trade receivable arising from the sales of vehicle batteries and spare parts, based on the invoice date and net of impairment losses, is as follows:

	At 30 June 2026 HK\$'000 (Unaudited)	At 31 December 2025 HK\$'000 (Audited)
0–30 days	8,577	21,189
31–90 days	3,911	7,076
91–180 days	1,696	4,130
181–360 days	247	–
	14,431	32,395

Impairment of trade receivables

Reconciliation of loss allowance for trade receivables:

	At 30 June 2026 <i>HK\$'000</i> (Unaudited)	At 31 December 2025 <i>HK\$'000</i> (Audited)
At beginning of the reporting period	85	–
Impairment	<u>–</u>	<u>85</u>
At the end of the reporting period	<u><u>85</u></u>	<u><u>85</u></u>

13. TRADE PAYABLES

	At 30 June 2026 <i>HK\$'000</i> (Unaudited)	At 31 December 2025 <i>HK\$'000</i> (Audited)
Trade payables	<u><u>13,187</u></u>	<u><u>21,306</u></u>

The credit periods granted by the suppliers normally ranging from 30 days to 90 days for both periods. The ageing analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	At 30 June 2026 <i>HK\$'000</i> (Unaudited)	At 31 December 2025 <i>HK\$'000</i> (Audited)
0–30 days	6,089	98
31–90 days	2,583	14,007
91–180 days	2,385	7,201
181–360 days	<u>2,130</u>	<u>–</u>
	<u><u>13,187</u></u>	<u><u>21,306</u></u>

14. AMOUNT DUE TO A RELATED PARTY

The amount is unsecured, interest-free and repayable on demand.

15. AMOUNT DUE TO A FORMER DIRECTOR

As at 30 June 2026 and 31 December 2025, the amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairing of the Group's financial position. The principal amount is approximately HK\$23,408,000 (31 December 2025: HK\$23,408,000) and the present value of the amount is approximately HK\$21,426,000 (31 December 2025: HK\$19,958,000), based on an imputed interest rate of 13.6% per annum. The difference between the present value and the principal amount has been credited to profit or loss. The director resigned on 13 May 2026.

16. LOAN FROM A SHAREHOLDER

As at 30 June 2026 and 31 December 2025, the amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairing of the Group's financial position. The principal amount is approximately HK\$100,114,000 (31 December 2025: HK\$100,114,000) and the present value of the amount is approximately HK\$83,004,000 (31 December 2025: HK\$77,577,000), based on an imputed interest rate of 13.6% per annum. The difference between the present value and the principal amount has been recognised as a shareholder contribution and credited to capital reserve.

17. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.1 each at 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	800,000,000,000	800,000,000,000
	Number of shares	Amount HK\$'000
Issued and fully paid:		
Ordinary shares of HK\$0.1 each at 1 January 2025 (audited), 31 December 2025 (audited), 1 January 2026 (audited) and 30 June 2026 (unaudited)	20,352,872,747	2,035,287

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group reviews the capital structure frequently by considering the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts, redemption of existing debts or selling assets to reduce debts in order to maintain sufficiency of working capital.

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 20 August 2026, the Group and Hengwan New Energy (Qianshan) Co., Limited entered into a memorandum of understanding (the “MOU”). The MOU sets out a framework for the Parties to explore potential cooperation opportunities with the aim of establishing long-term strategic collaboration and mutual commercial benefits. Reference is made to the announcement of the Company dated 20 August 2026.

Except for the above, the Board are not aware of any significant event after the end of the reporting period and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS AND OTHER INFORMATION

BUSINESS REVIEW

The Group is principally engaged in the sales of vehicle batteries and spare parts and the sales and production of short movies. During the first half of 2026, the Group operated against a backdrop of continued macroeconomic uncertainties and competitive market conditions, building on the operational foundations established in the 2025 financial year. The Board continued to implement its prudent operational strategy, with focus on stabilising core business operations, optimising resource allocation and enhancing operational efficiency across the Group.

Group revenue was subject to the impact of prevailing market headwinds. In response, the Group continued to refine its product and service mix and rolled out targeted cost management measures to mitigate revenue pressure and protect gross profit margins. Management exercised tight oversight over operating expenses, streamlined internal processes and prioritised high margin business initiatives.

The Group maintained stable relationships with key customers and selectively pursued quality business opportunities to accelerate its layout in the energy-storage and power-battery physical industry sector.

Despite these challenges and the ongoing uncertainties in the global economy, the Board believes that potential cooperation opportunities demonstrate that the Group's business operations have been reactivated and show potential for sustainable growth.

Notably, the Group recorded a revenue of approximately HK\$45.5 million in the Period. This revenue primarily derives from two business segments: sales of vehicle batteries and spare parts (HK\$43.5 million) and the production of short movies business (HK\$1.9 million). As a result of the increase in revenue, the profit of the Group attributable to shareholders for the Period amounted to approximately HK\$13.4 million, as compared to profit of approximately HK\$0.3 million for the first half of 2025.

FINANCIAL REVIEW

Revenue

Revenue increased from approximately HK\$6.8 million for the first half of 2025 to approximately HK\$45.5 million for the Period, representing a dramatical increase of approximately 569.1%. The growth was driven entirely by the battery management systems and spare parts segment.

Cost of sales

Cost of sales increased from approximately HK\$4.1 million for the first half of 2025 to approximately HK\$30.1 million for the Period. The increase mainly corresponds with the Group's increase in the revenue for the same period.

Gross Profit

As a result of the foregoing, the gross profit increased by approximately HK\$12.6 million from approximately HK\$2.7 million for the first half of 2025 to HK\$15.3 million for the Period.

Selling and distribution expenses

The selling and distribution expenses increased by approximately HK\$0.9 million, from approximately HK\$0.2 million for the first half of 2025 to HK\$1.1 million for the Period.

Administrative expenses

Administrative expenses increased by approximately HK\$5.0 million, from approximately HK\$2.3 million for the first half of 2025 to HK\$7.3 million for the Period.

The increase was mainly due to higher staff costs as the Group expanded its team to support the resumed operations and strengthened its administrative functions.

Finance costs

Finance costs was approximately HK\$6.9 million for the Period (the first half of 2025: Nil).

Income tax expense

Income tax expense of approximately HK\$5,000 was recognized for the Period (the first half of 2025: Nil), in line with the taxable profits generated from the Group's continuing operations during the Period.

Profit from continuing operations

The Group recorded a profit from continuing operations of approximately HK\$13.5 million for the Period, compared to a net profit of approximately HK\$0.2 million for the first half of 2025. This increase was mainly due to the continuing resumption of the Group's businesses during the Period.

Profit from discontinued operations

The Group did not record a profit from discontinued operations for the Period (the first half of 2025: Nil). Development of high-tech electric motor vehicles and advanced batteries materials has been discontinued since 2025 through disposal of subsidiaries.

Profit for the Period

Overall, the Group recorded net profit of approximately HK\$13.5 million for the Period, from approximately HK\$0.2 million for the first half of 2025. It primarily due to the successful continuing resumption of its businesses.

Inventories

The inventories carried for the Period amount to approximately HK\$21.7 million (31 December 2025: HK\$5.7 million). The balance mainly represented vehicle batteries and spare parts held for sale as the Group resumed its operations during the Period.

Trade receivables

Trade receivables decreased to approximately HK\$14.4 million for the Period (31 December 2025: HK\$32.4 million). This decrease was due to early settlement from debtors. The Group will continue to monitor credit risk and collection efficiency closely.

Trade payables

Trade payables amounted to approximately HK\$13.2 million for the Period (31 December 2025: HK\$21.3 million). This decrease was due to early payment to creditors.

Other payables

Other payables amounted to approximately HK\$14.2 million of the Period (31 December 2025: HK\$28.8 million). The reduction was mainly attributable to reversal of over accrual of staff costs in previous years.

Amount due to a related party

The amount is unsecured, interest-free and repayable on demand.

Amount due to a former director

The amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group's financial position. The principal amount is approximately HK\$23.4 million and the present value of the amount is approximately HK\$21.4 million, based on an imputed interest rate of 13.6% per annum. The difference has been credited to profit or loss. The director resigned on 13 May 2026.

Loan from a shareholder

As at 30 June 2026, the amount is unsecured, interest-free and not to demand repayment at least the next twelve months from the date of approval of the consolidated financial statements and until the Group is in position to repay it without impairment of the Group's financial position. The principal amount is approximately HK\$100.1 million and the present value of the amount is approximately HK\$83.0 million, based on an imputed interest rate of 13.6% per annum. The difference has been credited to capital reserve as shareholder contribution.

PROSPECT AND BUSINESS DEVELOPMENT OF THE GROUP

For the second half of 2026, the operating environment is expected to stay challenging, with macroeconomic volatility, industry competition and fluctuating market demand likely to continue bringing uncertainties to the Group's performance. Notwithstanding such headwinds, the Group will maintain a pragmatic and flexible operational stance to capture viable market opportunities.

The Group will continue to consolidate its core businesses, further optimise cost structure and drive operational efficiency gains. Potential business opportunities aligned with the Group's strategic direction will be evaluated rigorously, with stringent risk assessment prior to any material capital deployment. Enhancing customer value and improving the competitiveness of the Group's products and services will remain key operational priorities.

The Group will further upgrade internal control procedures and risk monitoring mechanisms to keep pace with evolving regulatory expectations. Sound liquidity and conservative capital management will be upheld to safeguard shareholders' interests and pursue sustainable longterm value creation.

FINANCING OPPORTUNITIES DURING THE PERIOD

On 16 June 2026, the Board announced the termination of the Acquisition Agreement, the Share Subscription Agreement and the Bond Subscription Agreement due to certain conditions precedent remained unfulfilled with effect from 27 May 2026. For details about the termination of the agreements mentioned above, please refer to the announcement of the Company dated on 16 June 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS

As at the date of this announcement, save as disclosed elsewhere in this announcement, the Group does not have any plan for significant investment or capital assets for the Period.

IMPORTANT EVENTS AFTER REPORTING PERIOD

On 20 August 2026, the Group and Hengwan New Energy (Qianshan) Co., Limited entered into a memorandum of understanding (the "MOU"). The MOU sets out a framework for the Parties to explore potential cooperation opportunities with the aim of establishing long-term strategic collaboration and mutual commercial benefits. Reference is made to the announcement of the Company dated 20 August 2026.

DIVIDENDS

The Directors do not recommend the payment of any final dividend to shareholders of the Company for the six months ended 30 June 2026.

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

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

LIQUIDITY AND FINANCIAL RESOURCES, CAPITAL STRUCTURE AND TREASURY POLICY

As at 30 June 2026, the total deficiency in equity of the Group amounted to approximately HK\$92.6 million (31 December 2025: deficiency in equity of HK\$106.1 million).

The gearing ratio of the Group as at 30 June 2026 measured in terms of total liabilities divided by shareholders' equity was approximately 152.6% (31 December 2025: 150.0%).

As at 30 June 2026, the net current asset of the Group were approximately HK\$11.4 million (31 December 2025: net current liabilities of HK\$8.9 million), whereas the cash and cash equivalents amounted to HK\$12.1 million (31 December 2025: HK\$14.6 million). The Group has an outstanding shareholder's loan of HK\$83.0 million (31 December 2025: HK\$77.6 million) as at 30 June 2026, which is unsecured, interest-free and repayable on demand.

As at 30 June 2026, no borrowing was made by the Group.

The Group adopts a conservative and balanced treasury policy in cash and financial management. The Group's cash is generally placed as deposits mostly denominated in Hong Kong dollars or Renminbi. To manage liquidity risk, the Group regularly reviews liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

PLEDGE OF THE GROUP'S ASSETS

As at 30 June 2026, none of the assets of the Group had been pledged (31 December 2025: Nil) to the Group's bankers to secure general banking facilities granted to the Group or otherwise.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

During the Period, almost all of the income and expenditure of the Group were denominated in Renminbi, Hong Kong dollar and/or United States dollar. The Group had no significant exposure to foreign exchange fluctuations and, therefore, had not taken any financial instruments for hedging purpose.

HUMAN RESOURCES AND REMUNERATION POLICIES

The Group had a total of approximately 26 employees as at 30 June 2026 (31 December 2025: 24 employees). It has been the Group's policy to ensure that the remuneration levels of the Directors and its employees are reviewed and rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Share options may also be

granted to the Directors and employees of the Group to attract, retain and incentivise them to work and make contribution towards the long term growth and development of the Group.

During the Period, staff costs (including Director's remuneration) was approximately HK\$2.4 million (30 June 2025: approximately HK\$0.9 million).

CORPORATE GOVERNANCE

The Board of Directors of the Company is committed to maintaining high standards of corporate governance to ensure better transparency and protection of the overall interests of the Company and its shareholders and to enhance corporate value and accountability. The Company wishes to highlight that the Board will continue to devote efforts in ensuring effective leadership and control of the Company and the transparency and accountability of all operations.

During the Period, the Company had applied the principles and complied with the code provisions (the “**Code Provisions**”) set out in the part 2 of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company had met the relevant code provisions set out in the Code during the Period, except the following deviations:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. However, the chief executive officer of the Company has been vacant following the resignation of Mr. Feng Rui on 5 March 2024. Until the appointment of new chief executive officer, the executive Directors continue to oversee the day-to-day management of the business and operations of the Group.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) on terms no less exacting than the required standard set out in the Model Code as its own code of conduct regarding securities transactions by Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the required standard set out in the Model Code during the Period.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Board comprises Mr. Yuen Wai Keung (Chairman of the Audit Committee), Mr. Wu Wenchang and Ms. Pan Hong. The audit committee of the Company has reviewed and discussed with the management of the Company the condensed financial statements of the Group for the Period and this announcement, with no disagreement.

PUBLICATION OF 2026 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://hk1188.etnet.com.hk>).

The Company's interim report for the Period containing the information required by Appendix D2 to the Listing Rules will be despatched to the Company's shareholders in due course.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 1 April 2025. Trading in the shares of the Company on the Stock Exchange will remain suspended pending the fulfilment of the resumption guidance issued by the Stock Exchange.

By order of the Board
Hybrid Kinetic Group Limited
Kong Fan
Chairman

Hong Kong, 31 August 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Kong Fan (Chairman), two non-executive Directors, namely Mr. Ruan Jian and Mr. Zheng Yu and three independent non-executive Directors, namely Ms. Pan Hong, Mr. Wu Wenchang and Mr. Yuen Wai Keung.