INTERIM REPORT 2026

天彩控股有限公司

Sky Light Holdings Limited

Stock Code 3882

Incorporated in the Cayman Islands with limited liability

Sky Light Holdings Limited

Contents

Financial Highlights

	Six months ended 30 June		
	2026 HK$'000 (Unaudited)	**2025** HK$'000 (Unaudited)	CHANGE
REVENUE	**120,852**	134,513	-10.2%
COST OF SALES	**(96,037)**	(119,949)	-19.9%
GROSS PROFIT	**24,815**	14,564	+70.4%
GROSS PROFIT MARGIN (%)	**20.5%**	10.8%	+9.7p.p.t.
LOSS FOR THE PERIOD	**(28,877)**	(29,889)	-3.4%
Attributable to:			
OWNERS OF THE COMPANY	**(28,450)**	(20,501)	+38.8%
NON-CONTROLLING INTERESTS ("NCI")	**(427)**	(9,388)	-95.4%
	(28,877)	(29,889)	-3.4%
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY BASIC AND DILUTED	**HK(2.8)cents**	HK(2.0)cents	+40.0%

Corporate Information

Board (the "Board") of Directors of the Company (the "Director(s)")

Executive Directors

Mr. Tang Wing Fong Terry *(Chairman)*

Independent Non-executive Directors

Mr. Wong Wai Ming
Mr. Lau Wai Leung Alfred
Ms. Lo Wan Man

Committees of the Board

Audit Committee (the "Audit Committee")

Ms. Lo Wan Man *(Chairlady)*
Mr. Wong Wai Ming
Mr. Lau Wai Leung Alfred

Remuneration Committee (the "Remuneration Committee")

Ms. Lo Wan Man *(Chairlady)*
Mr. Tang Wing Fong Terry
Mr. Lau Wai Leung Alfred

Nomination Committee (the "Nomination Committee")

Mr. Tang Wing Fong Terry *(Chairman)*
Ms. Lo Wan Man
Mr. Lau Wai Leung Alfred

Authorized Representatives

Mr. Tang Wing Fong Terry
Ms. Yeung Pui Yee Holly

Company Secretary

Ms. Yeung Pui Yee Holly

Registered Office

P.O. Box 31119 Grand Pavilion, Hibiscus Way
802 West Bay Road, Grand Cayman, KY1-1205
Cayman Islands

Head Office, Headquarters and Principal Place of Business in the People's Republic of China ("China" or the "PRC")

Building No. 8
Antuoshan High-tech Industrial Park
Xinsha Road, Shajing, Bao'An
Shenzhen
PRC

Principal Place of Business in Hong Kong

Unit B1 23/F, MG Tower
133 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong

Auditor

D & Partners CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
Suites 710-713, 7/F.,
12 Taikoo Wan Road
Taikoo
Hong Kong

Hong Kong Legal Adviser

Johnson Stokes & Masters
16th–18th Floors, Prince's Building
10 Charter Road
Central
Hong Kong

Corporate Information

Cayman Islands Principal Registrar and Transfer Office

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion, Hibiscus Way,
802 West Bay Road, Grand Cayman, KY1-1205
Cayman Islands

Hong Kong Branch Share Registrar

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

Principal Bankers

Hongkong and Shanghai Banking Corporation Limited
Level 10 HSBC Main Building
1 Queen's Road Central
Hong Kong

Stock Code

3882

Company Website Address

www.sky-light.com.hk

Management Discussion and Analysis

Business review

Sky Light Holdings Limited (the "**Company**"), together with its subsidiaries (together, the "**Group**"), is principally engaged in manufacturing and sale of camera products and headphone products and related accessories. It also provides on-demand delivery system services ("**On-demand Delivery System Services**") for supermarket and hypermarket chains ("**Superstore Chains**") in the PRC.

For the six months ended 30 June 2026 (the "**2026 Interim**"), the company's revenue was approximately HK$120.9 million, a decrease of approximately 10.2% compared to approximately HK$134.5 million in the same period of 2025 (the "**2025 Interim**"); the loss was approximately HK$28.9 million, a decrease of 3.4% compared to the same period of 2025. In the first half of 2026, semiconductor and memory costs surged rapidly, forcing the group to frequently renegotiate prices with clients. As clients required time to make adjustments, this led to a reduction or delay in orders.

1. *Manufacturing of Camera Products, Headphone Products and Related Accessories*

In the first half of 2026, the Group's camera products, headphone products and related accessories business recorded revenue of approximately HK$120.4 million, a decrease of approximately 10.5% compared to approximately HK$134.5 million in the 2025 Interim. Although the Group has made comprehensive cost-cutting efforts, in the past six months, the demand for semiconductors and memory for artificial intelligence ("**AI**") has surged, resulting in a severe shortage of market supply and a continuous rise in prices. Coupled with the impact of geopolitical tensions, the prices of all raw materials and components have risen sharply, posing significant challenges to the Group's operations. The Group is adjusting its strategy, striving to develop more innovative original design manufacturing ("**ODM**") products and actively expanding its B2B (business-to-business) business.

Home Surveillance Camera Product: Major products include smart doorbells, network surveillance cameras, and baby monitors.

Revenue for the first half of 2026 was approximately HK$73.9 million, representing an increase of approximately 15.9% compared to the same period in 2025. This revenue growth was primarily attributed to increased ODM product orders from the Group. Market competition has remained intense over the past six months. Numerous prominent brands have adopted a strategy of selling hardware at competitive prices while aiming to generate profitability through monthly subscription-based models. The Group expects that future consumer electronics products will incorporate more AI algorithms and provide more intelligent functions. Currently, in addition to implementing AI algorithms, the Group is accelerating the development of a long-range WiFi surveillance camera product series, with some products scheduled to begin mass production in the second half of this year.

Digital Imaging Product: Major products include wearable cameras, dashcams and video conferencing cameras.

Revenue for the first half of 2026 was approximately HK$12.2 million, a decrease of 37.0% compared to the same period in 2025. This decline was primarily due to the fact that new products from major customers had not yet been launched, the sharp rise in semiconductor and memory costs, and customers adopting a wait-and-see attitude, resulting in a significant decrease in orders in the first half of the year. For wearable cameras, the Group primarily provides police-worn cameras for law enforcement and evidence collection. Meanwhile, the Group is actively developing other commercial channels, such as wearable cameras for large supermarket staff and referees during sporting events. For dashcams, the Group is mainly supplied to commercial fleets for route monitoring, data recording, driver behavior analysis, and accident forensic purposes. In the first half of 2026, the Group successfully secured several important projects, which will commence mass production in the second half of 2026 and the first half of 2027.

Headphone Product: In the first half of 2026, the Group's factory in Vietnam mainly produced headphones through processing trade, with processing fee revenue of approximately HK$19.9 million and a loss of approximately HK$2.0 million, compared with a loss of approximately HK$5.0 million in the same period of 2025, a decrease of approximately 60.4%.

2. *On-demand Delivery System Services for Superstore Chains*

In the first half of 2026, the revenue of the on-demand delivery business was approximately HK$0.4 million. Due to intense competition in the industry since the end of 2025, the business development was not as expected. In 2025, the Group invested approximately RMB11.1 million to order delivery equipment. In the absence of significant improvement in business development, the Group will not increase investment for the time being.

Management Discussion and Analysis

Prospects

With the rapid advancement of AI, the Group is integrating edge algorithms into its camera products, transforming them into intelligent devices with real-time perception and analytical capabilities. Combined with cloud-based Large Language Models (LLMs), these enhancements will expand product functionality and commercial value. The Group is currently accelerating the adoption of relevant edge algorithms to launch iterative intelligent products. Furthermore, the Group will invest more resources in cultivating its B2B channels and expanding its business presence in the Japanese market. Overall, the Group secured numerous new projects in the first half of 2026, and the management team is optimistic about its performance in the second half of this year and next year.

The recent AI surge has triggered extraordinary demand, leading to explosive growth in the consumption of various semiconductors and precious metals, which has significantly driven up overall procurement costs. Additionally, geopolitical tensions have impacted the logistics costs and supply stability of chips, precious metals, and oil. Recently, the sharp rise in prices for various chips, particularly memory chips, and metal raw materials has pressured the cost structure and supply chain of the Group. Component prices are expected to remain high in the second half of 2026. The Group will closely monitor and actively communicate with customers and suppliers to discuss buffer measures such as price adjustments, alternative procurement solutions and strategic inventory to minimize the impact on operations.

Home surveillance camera products: In the first half of the year, the company actively introduced new technologies such as long-range Wi-Fi. Through these new products, the group acquired some promising new customers. New projects will begin mass production in the second half of this year and early next year which is expected to make a significant contribution to the Group's revenue. Furthermore, by incorporating AI algorithms, the Group's devices have evolved from passive recording tools into proactive intelligent products capable of autonomous sensing, analysis, and response, significantly enhancing their value.

Digital Imaging Products: In addition to supplying wearable cameras to law enforcement agencies, the Group will begin supplying related products to employees of large retail chains in 2026. Regarding the dashcams, the Group has successfully secured several important commercial projects, with mass production and shipments expected to commence in the second half of this year and early next year. These projects are anticipated to make a significant contribution to the Group's performance in the second half of this year and 2027. The Group will continue to leverage this experience to further explore B2B opportunities in this field.

Headphone Products: In 2026, the Group's factory in Vietnam received several headphone OEM orders on a processing fee basis, and the volume of processing orders is expected to increase significantly in the second half of this year. Concurrently, the Group will actively seek Internet of Things (IoT) projects suitable for production at the Vietnam factory.

Management Discussion and Analysis

Financial review

Turnover

The Group's camera products and related accessories products mainly consist of the following three categories: (i) home surveillance cameras, (ii) digital imaging products, and (iii) other products (including but not limited to research and development ("**R&D**") services and tooling fees in relation to products manufactured for its customers).The Group primarily derives its revenue from the sales of the above products, as well as from manufacturing services income in respect of headphone products and income from On-demand Delivery System Services provided to Superstore Chains.

The following table sets out the breakdown of the revenue for continuing operations for the years indicated:

	Six months ended 30 June				
	2026 HK$'000	% of total revenue	2025 HK$'000	% of total revenue	Revenue change
Manufacturing business					
Sales of Products					
Home surveillance cameras	**73,885**	**61.1%**	63,759	47.4%	15.9%
Digital imaging products	**12,223**	**10.1%**	19,391	14.4%	(37.0)%
Other products	**14,474**	**12.0%**	50,245	37.4%	(71.2)%
	100,582	**83.2%**	133,395	99.2%	(24.6)%
Headphone product manufacturing service income	**19,850**	**16.5%**	1,118	0.8%	1,675.5%
	120,432	**99.7%**	134,513	100%	(10.5)%
On-demand delivery system services income for superstore chains	**420**	**0.3%**	–	0.0%	Nil
TOTAL	**120,852**	**100%**	134,513	100%	(10.2)%

For the 2026 Interim, the Group recorded a turnover of approximately HK$120.9 million (2025 Interim: approximately HK$134.5 million), representing a slight decrease of approximately 10.2% as compared to the 2025 Interim. This decrease was mainly attributable to the sharp surge in costs for semiconductors and memory modules. The Group was required to conduct frequent negotiations with customers and made adjustments. As a result, orders were reduced or deferred, leading to a decrease in shipment volumes of digital imaging products and other products for the 2026 Interim.

Management Discussion and Analysis

The Group sells its camera products and related accessories products mainly to customers in the European Union and Hong Kong. The following table sets out the breakdown of revenue by location of customers for the periods indicated:

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
European Union	**53,825**	46,905
Hong Kong	**22,245**	27,693
Mainland China	**19,218**	7,665
United States of America	**18,927**	24,143
Other countries and areas	**6,637**	28,107
Total	**120,852**	134,513

Cost of sales

Cost of sales represents costs and expenses directly attributable to the manufacture of the Group's products which comprise (i) raw materials, components and parts, including, among others, key components such as digital signal processors, lenses and sensors; (ii) direct labour; (iii) production overhead, mainly including depreciation of production equipment and indirect labour, and (iv) On-demand Delivery System Services fees and platform fees.

For the 2026 Interim, cost of sales of the Group amounted to approximately HK$96.0 million (2025 Interim: approximately HK$119.9 million), representing a significant decrease of approximately 19.9% as compared to the 2025 Interim, and amounted to approximately 79.5% (2025 Interim: approximately 89.2%) of its turnover for the 2026 Interim. The decrease in cost of sales was mainly due to (i) a decrease in shipment volumes of digital imaging products and other products, together with a corresponding reduction in related costs; and (ii) a decrease of approximately HK$22.5 million in the net allowance for inventories included in the cost of inventories sold for the 2026 Interim.

Management Discussion and Analysis

Gross profit and gross profit margin

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Revenue	**120,852**	134,513
Cost of sales	**(96,037)**	(119,949)
Gross profit	**24,815**	14,564
Gross profit margin	**20.5%**	10.8%

The Group recorded a gross profit of approximately HK$24.8 million for the 2026 Interim (2025 Interim: approximately HK$14.6 million), representing a significant increase of approximately 70.4% as compared to the 2025 Interim. The gross profit margin increased from approximately 10.8% for the 2025 Interim to approximately 20.5% for the 2026 Interim. This increase was mainly due to a significant increase in the net reversal of allowance for inventories included in the cost of inventories sold, resulting in a significant increase in gross profit for the 2026 Interim.

Other income and other (loss)/gains, net

Other income and other (loss)/gains, net mainly include (i) bank interest income; (ii) exchange gains/(loss) arising mainly from fluctuations in exchange rate between the invoice and settlement dates of its sales and purchases and from translation of its US$-denominated trade payables and receivables; (iii) government grants, which mainly consist of rewards and subsidies for research activities granted by the local government with no unfulfilled conditions or contingencies; (iv) gains on the disposal of property, plant and equipment; and (v) fair value gain on financial asset at fair value through profit or loss.

For the 2026 Interim, net other loss of the Group was approximately HK$6.8 million,as compared with net other gains of approximately HK$1.5 million for the 2025 Interim, which was primarily attributable to the decrease of approximately HK$6.6 million on exchange net gains arising mainly from fluctuations in exchange rate between the invoice and settlement dates of its sales and purchases and from translation of its US$-denominated trade payables and receivables.

Management Discussion and Analysis

Selling and distribution expenses

Selling and distribution expenses mainly include (i) salaries and benefits of its sales and marketing staff; (ii) transportation costs for delivery of products; (iii) marketing, exhibition and advertising costs; and (iv) entertainment expenses relating to its sales and marketing activities.

For the 2026 Interim, selling and distribution expenses of the Group slightly increased by approximately 6.4% to approximately HK$8.9 million from approximately HK$8.4 million for 2025 Interim. While the Group has maintained strict cost control discipline, such slight increase was mainly due to the increase of approximately HK$0.4 million authorization and accreditation costs during the 2026 Interim.

Administrative expenses

Administrative expenses mainly include (i) salaries and benefits of the Group's management, administrative and finance staff; (ii) rental and office expenses; (iii) professional fees; and (iv) entertainment expenses.

For the 2026 Interim, administrative expenses of the Group slightly increased by approximately 7.0% to approximately HK$19.7 million from approximately HK$18.4 million for the 2025 Interim. While the Group has maintained strict cost control discipline, such slight increase was mainly due to the increase of approximately HK$1.2 million depreciation of property, plant and equipment during the 2026 Interim.

R&D costs

Research and development costs include (i) salaries and benefits of the Group's research and development and product planning staff; (ii) raw materials, components and parts used for research and development and product planning; and (iii) other miscellaneous costs and expenses such as rental fees, design service fees, depreciation and certification fees.

For the 2026 Interim, the Group recorded research and development costs of approximately HK$11.5 million, which slightly increased by approximately 0.9% from approximately HK$11.4 million for the 2025 Interim. While the Group has maintained strict cost control discipline, such slight increase was mainly due to the increase of approximately HK$0.1 million in sample charge during the 2026 Interim.

Other expenses

Other expenses include principally (i) exchange losses arising mainly from fluctuations in exchange rates between the invoice and settlement dates of its sales and purchases and from translation of its US$-denominated trade payables and receivables; (ii) (reversal of impairment losses)/impairment losses of trade and factoring receivables; and (iii) penalty.

For the 2026 Interim, other expenses of the Group significantly decreased to approximately HK$0.2 million from approximately HK$6.2 million for the 2025 Interim. The decrease mainly consisted of decrease of approximately HK$4.3 million in net impairment losses of trade and factoring receivables during the 2026 Interim.

Management Discussion and Analysis

Finance costs

For the 2026 Interim, the finance costs of the Group significantly increased to approximately HK$6.6 million, which significantly increased by approximately 329.1% from approximately HK$1.5 million for the 2025 Interim. The increase was mainly due to the increase of approximately HK$5.1 million interest expense – convertible bonds.

Net loss

As a result of the foregoing, the Group recorded a loss of approximately HK$28.9 million for the 2026 Interim (attributable to non-controlling interests was a loss of approximately HK$0.4 million).

Liquidity and capital resources

The Group's principal cash requirements are to pay for working capital needs, capital expenditures for the expansion and upgrade of production facilities. The Group meets these cash requirements by relying on cash flows generated from operating activities and proceeds from issue of shares as its principal sources of funding. The following table sets out its selected consolidated cash flow for the periods indicated:

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Net cash flows generated from operating activities	**6,932**	12,003
Net cash flows generated from investing activities	**520**	5,440
Net cash flows (used in)/generated from financing activities	**(28,408)**	885
Net (decrease)/increase in cash and cash equivalents	**(20,956)**	18,328
Effect of foreign exchange rate changes	**910**	2,666
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**61,478**	38,450
Cash and cash equivalents at 30 June	**41,432**	59,444

Net cash generated from operating activities for the 2026 Interim was approximately HK$6.9 million, which primarily reflected (i) the loss before tax of approximately HK$28.9 million; (ii) the increase in inventories of approximately HK$8.8 million; (iii) the decrease in trade receivables of approximately HK$4.3 million; and (iv) the increase in other payables and accruals of approximately HK$22.7 million.

Net cash generated from investing activities for the 2026 Interim was approximately HK$0.5 million. This mainly consisted of interest received approximately HK$1.3 million.

Net cash used in the financing activities for the 2026 Interim was approximately HK$28.4 million, which was mainly reflected in (i) net of bank borrowings approximately HK$10.1 million, and (ii) repayments under supplier finance arrangements approximately HK$15.6 million.

The Group's cash and cash equivalents were mainly denominated in US dollar ("**US$**"), Hong Kong dollar ("**HK$**"), Vietnamese Dong ("**VN$**") and Renminbi ("**RMB**") as at 30 June 2026.

Borrowings and the pledge of assets

The Group's banking facilities with banks in Hong Kong and the PRC amounting to approximately HK$111.1 million as at 30 June 2026 (As at 31 December 2025: approximately HK$108.3 million), of which approximately HK$17.3 million (As at 31 December 2025: approximately HK$27.4 million) had been utilised as at the end of the 2026 Interim.

The bank loans as at 30 June 2026 were secured by the pledge of the life insurance policy and pledged bank deposits, personal guarantee executed by a controlling shareholder of the Company, corporate guarantee executed by two subsidiaries of the Group and a director's property in the PRC respectively.

All bank loans are denominated in the US$ and RMB and repayable within one year.

The Group has entered into certain supplier finance arrangements with a PRC bank. Under these arrangements, the bank pays suppliers the amounts owed by the Group. The Group's obligations to suppliers are legally extinguished on settlement by the relevant bank. The Group then settles with the bank between 173-180 days after settlement by the bank with interest ranges from 1.8% – 1.9% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices.

Gearing ratio

Gearing ratio is calculated by dividing total debt (which equals interest-bearing bank borrowings, convertible bonds and lease liabilities) by total equity as at the end of each period. The Group's gearing ratio as at 31 December 2025 and 30 June 2026 was approximately 499.6% and approximately 1773.6%, respectively. The significant increase in gearing ratio was primarily due to a reduction in total equity as a result of the loss incurred during the 2026 Interim.

Capital expenditure

During the 2026 Interim, the Group invested approximately HK$0.8 million (2025 Interim: approximately HK$2.0 million) in purchases of property, plant and equipment and intangible assets.

Off balance sheet transactions

During the 2026 Interim, the Group did not enter into any material off balance sheet transactions.

Management Discussion and Analysis

Foreign exchange exposure and exchange rate risk

The Group has transactional currency exposure, which arises from sales in currencies other than the relevant operating units, that is, functional currencies. Approximately 90.8% and 80.6% of the Group's sales were denominated in currencies other than the functional currency of the operating units making the sales, whilst approximately 51.8% and 30.8% of inventory costs were denominated in their functional currencies for the 2025 Interim and the 2026 Interim, respectively.

During the 2026 Interim, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies. The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign exchange exposure during the 2026 Interim (2025 Interim: Nil). In addition, the Group did not have any foreign currency net investments which have been hedged by currency borrowing and other hedging investments.

Treasury policies

During the 2026 Interim, the Group did not have any investment under its treasury policies.

The Group has implemented its internal treasury investment policies since January 2015 (updated in December 2015), which provide the guidelines, requirements and approval process with respect to its treasury investment activities. It regularly evaluates the risks and returns of its wealth management products.

Under its treasury investment policies, the Group is only allowed to invest in wealth management products with the two lowest risk rating classified by the banks and debentures with ratings above "BBB" or "baa" or similar ratings. All the treasury products must also meet the following criteria: (i) be issued by well-recognised publicly-listed banks; (ii) no default history; and (iii) have a maturity term of less than one year or can be easily converted into cash in the market. Such treasury investment policies also provide that the outstanding balance of the Group's wealth management products shall not exceed 50% of its total amount of cash and cash equivalents and wealth management products. Any plan to increase this limit must be approved by the Board. No single investment can exceed 35% of the total amount invested.

The Group has an experienced management team and strict procedures in place to ensure the wealth management products are purchased in compliance with its internal policies and requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). The management, internal audit and the Board (including the independent non-executive Directors) regularly review its compliance with the treasury investment policies and assess the risk associated with these investments.

Employees and emoluments policy

As at 30 June 2026, the Group employed a total of 1,016 employees (31 December 2025: 928). The staff costs of the Group, excluding directors' emoluments and any contributions to pension scheme, were approximately HK$33.1 million for the 2026 Interim (2025 Interim: approximately HK$32.3 million), none (2025 Interim: none) of which are the expenses for the Company's share option schemes. All of the Group's employees are paid a fixed salary and a bonus depending on their performance as determined by quarterly assessments. The Group seeks to provide compensation for its research and development staff at above-market levels to attract and retain talents. It regularly reviews compensation and benefit policies to ensure that its practices are in line with the market and in compliance with relevant labour regulations. To provide its employees, among others, additional incentives to enhance its business performance, the Company has adopted a pre-IPO share option scheme and a share option scheme, under which grantees are entitled to exercise the options to subscribe for shares of the Company subject to the terms and conditions of the respective schemes.

Management Discussion and Analysis

Significant investments held

There was no investment held by the Group with a value of 5% or more of the Company's total assets during the 2026 Interim.

Future plans for material investments or capital assets

As at the date of this report, the Group did not have any plans for material investments or capital assets.

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the 2026 Interim.

Contingent liabilities

As at 30 June 2026, the Group had no significant contingent liabilities (31 December 2025: Nil).

Dividend

The Board does not recommend the payment of interim dividend for the 2026 Interim (2025 Interim: Nil).

Financial position as at 30 June 2026

As at 30 June 2026, the Group's total equity was approximately HK$5.2 million (31 December 2025: approximately HK$22.7 million), total assets amounted to approximately HK$261.4 million (31 December 2025: approximately HK$281.5 million) and total liabilities stood at approximately HK$256.2 million (31 December 2025: approximately HK$258.9 million).

EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Group which occurred after the reporting period of the 2026 Interim and up to the date of this report.

Other Information

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2026, the interests or short positions of the Directors and chief executive of the Company in the shares (the "**Shares**"), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity/Nature of interest	Personal Interest in Shares	Corporate interests	Total	Approximate percentage of total issued Shares(4)
Tang Wing Fong Terry ("**Mr. Tang**")	Interest in a controlled corporation	–	327,717,600 (L)(2)	428,203,557 (L)	42.46%
	Interest in a controlled corporation	–	30,146,000 (L)(3)		
	Beneficial owner	70,339,957 (L)	–		

Notes:

(1) The letter "L" denotes the Directors' long position in the Shares.

(2) The disclosed interest represents the interest in 327,717,600 Shares beneficially held by Fortune Six Investment Limited, which is wholly-owned by Mr. Tang and he was deemed to be interested in the 327,717,600 Shares by virtue of Part XV of the SFO.

(3) The disclosed interest represents the interest in 30,146,000 Shares beneficially held by Happy Bull Investment Limited, which is wholly-owned by Mr. Tang and he was deemed to be interested in the 30,146,000 Shares by virtue of Part XV of the SFO.

(4) Based on a total of 1,008,587,455 Shares in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had any interest or short position in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

Substantial Shareholders' and Others' Interests and Short Positions in Shares and Underlying Shares

To the best knowledge of the Directors, as at 30 June 2026, the following persons (other than the Directors or chief executive of the Company), were directly or indirectly, interested in 5% or more of the Shares or short positions in the Shares and the underlying Shares of the Company, which are required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO, or which will be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name of shareholder	Capacity/Nature of interest	Number of Shares	Approximate percentage of total issued Shares[3]
Fortune Six Investment Limited	Beneficial owner	327,717,600 (L)[2]	32.49%

Notes:

(1) The letter "L" denotes a person's long position in the Shares.

(2) These Shares were beneficially held by Fortune Six Investment Limited, which was wholly-owned by Mr. Tang, an executive Director. Mr. Tang was deemed to be interested in the 327,717,600 Shares by virtue of Part XV of the SFO. In addition, Mr. Tang is a director of Fortune Six Investment Limited.

(3) Based on a total of 1,008,587,455 Shares in issue as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Directors are not aware of any other corporation or individual (other than the Directors or chief executive of the Company) who had an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors is a director or employee of a company which had an interest in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Contracts of Significance

Save as disclosed in the note 27 to the condensed consolidated financial statements contained in this report, the Group did not enter into any transaction, arrangement or contract of significance (i) in which a Director or an entity connected with the Director had a material interest, either directly or indirectly, and to which the Company, its holding company or subsidiaries or any of its controlling shareholders (as defined in the Listing Rules) or any of its subsidiaries was a party subsisted as at 30 June 2026 or at any time during the 2026 Interim; and (ii) there was no transaction, arrangement or contract of significance for the provision of services to the Group by a controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries had been entered into by the Group during the 2026 Interim or subsisted as at 30 June 2026.

Directors' Interest in Competing Business

During the 2026 Interim, none of the Directors nor his/her close associates (as defined under the Listing Rules) has any interest in a business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the Group's business.

Other Information

Directors' Rights to Acquire Shares or Debenture

Save as disclosed under the section headed "Share Option Scheme" below, neither at the end of the 2026 Interim nor at any time during the 2026 Interim did there subsist any arrangements, whose objects were, or one of whose objects was, to enable the directors of the Group to acquire benefits by means of acquisition of shares in, or debentures of the Group or any other body corporate.

Purchase, Sale or Redemption of Listed Securities

The Company is empowered by the applicable Companies Law, Cap. 22 (Law 3 of 1961, as consolidated or revised from time to time) of the Cayman Islands and the articles of association of the Company to repurchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange and the applicable laws of the Cayman Islands.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares as defined under the Listing Rules, if any) during the 2026 Interim. As at 30 June 2026, there were no such treasury shares held by the Company.

Issue of Equity Securities or Sale of Treasury Shares for Cash

Placing of convertible bonds under general mandate

On 16 June 2025, the Company entered into the new placing agreement (the "**New Placing Agreement**") with Funderstone Securities Limited (the "**Placing Agent**"), pursuant to which the Company proposed to offer for subscription, and the Placing Agent agreed to procure subscriptions for, the 8% coupon convertible bonds, which are convertible into Shares pursuant to the related instrument constituting such convertible bonds (the "**Convertible Bonds**"), in the principal amount of up to HK$70,000,000 on a best effort basis to not less than six (6) placees who are independent third parties (the "**Placing**"). The maturity date falls on the expiry of eighteen (18) months of the date of issue of the Convertible Bond, which may be extended for six (6) months at the option of the Company (the "**Maturity Date**").

The initial conversion price is HK$1.56 per Share, which represents a premium of approximately 54.46% over the closing price of HK$1.01 per Share as quoted on the Stock Exchange on the date of the New Placing Agreement (i.e. 16 June 2025).

The Directors (including the independent non-executive Directors) are of the view that the Placing will raise extra cashflow for the Group's business operation and working capital requirements.

The Placing was completed on 4 July 2025. The Convertible Bonds in the aggregate principal amount of HK$46,200,000 were placed by the Company to not less than six (6) placees pursuant to the New Placing Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all the placees and their respective ultimate beneficial owners are third parties independent of and not acting in concert with the Company (or its subsidiaries), its connected person(s) and their respective associate(s).

In the case of the conversion rights attaching to the HK$46,200,000 Convertible Bonds (together with all the accrued and unpaid interest thereon up to and including the last day of the conversion period, being five (5) business days prior to the Maturity Date, after the extension of the Maturity Date) having been exercised in full at the initial conversion price of HK$1.56 (subject to adjustment), a maximum of 34,321,390 conversion shares with aggregate nominal value of HK$343,213.90 will be allotted and issued by the Company.

The gross proceeds from the Placing amounted to HK$46,200,000. The net proceeds from the Placing, after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in connection with the Placing, amounted to approximately HK$44,500,000. The net conversion price, after deduction of relevant expenses, was approximately HK$1.30 per conversion share. As at 30 June 2026, the net proceeds from the Placing had been utilised in the manner set out in the announcement of the Company dated 16 June 2025, and no proceeds were brought forward.

Dilutive impact of the conversion of Convertible Bonds

Set out below is the dilution effect on equity interest of the shareholding structure of the Company (i) as at 30 June 2026; and (ii) immediately upon full conversion of the Convertible Bonds (assuming that no other change in the issued share capital of the Company other than the conversion shares under the Convertible Bonds):

Shareholders	As at 30 June 2026		Upon full conversion of Convertible Bonds	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Mr. Tang (Note)	428,203,557	42.46	428,203,557	41.06
Bondholders	–	–	34,321,390	3.29
Public Shareholders	580,383,898	57.54	580,383,898	55.65
Total	1,008,587,455	100	1,042,908,845	100

Note: Out of the 428,203,557 Shares, Mr. Tang hold (i) 70,339,957 Shares personally; (ii) 327,717,600 Shares via Fortune Six Investment Limited, a company wholly-owned by Mr. Tang; and (iii) 30,146,000 Shares via Happy Bull Investment Limited, a company wholly-owned by Mr. Tang.

As at 30 June 2026, no Convertible Bonds have been converted into new Shares.

Dilution impact on loss per share

For the 2026 Interim, potential dilutive ordinary Shares in connection with the Convertible Bonds are not included in the calculation period of diluted loss per Share because the Convertible Bonds have not been converted.

Financial and liquidity position of the Group

The maturity date of the Convertible Bonds is eighteen (18) months, which may be extended for six (6) months at the option of the Company, from the date of the issue of the Convertible Bonds. Considering (a) the fact that the Convertible Bonds will become mature in 2027; (b) the fact that there are no circumstances leading to a possible indication that there may be an early redemption of the Convertible Bonds; and (c) the financial position and resources of the Group, it is expected that the Company will be able to meet its redemption obligations under the Convertible Bonds when it becomes due.

Bondholders to convert or redeem

It would be equally financially advantageous for the bondholders to convert or redeem the Convertible Bonds based on the implied internal rate of return of the Convertible Bonds at the Company's share price of HK$1.56 if the bondholder fully converts the Convertible Bonds on the Maturity Date (i.e. 4 July 2027).

For details of the Placing, please refer to the announcements of the Company dated 16 June 2025 and 4 July 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries issued any equity securities (including securities convertible into equity securities) nor sold any treasury shares for cash (other than under the Share Option Scheme) during the 2026 Interim.

Share Option Scheme

A share option scheme (the "**Share Option Scheme**") was conditionally adopted by the shareholders of the Company (the "**Shareholders**") on 12 June 2015, which became effective on 2 July 2015 (the "**Listing Date**") and has expired on 12 June 2025. The key terms of the scheme are set out below:

(1) The Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions the Eligible Participants (as defined below) have made or may have made to the Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

(i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and

(ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

"Eligible Participants" refers to:

(i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;

(ii) any Directors (including non-executive Directors and independent non-executive Directors) of the Company or any of its subsidiaries;

(iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and

(iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:

(a) contribution to the development and performance of the Group;

(b) quality of work performed for the Group;

(c) initiative and commitment in performing his/her duties; and

(d) length of service or contribution to the Group.

(2) The maximum number of Shares in respect of which options may be granted (including Shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue on the Listing Date, being 80,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company), subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time.

(3) The maximum entitlement of each Eligible Participant in any 12-month period up to the date of offer to grant shall not exceed 1% of the Shares in issue as at the date of offer to grant.

Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) that would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other schemes of the Company in the 12-month period up to and including the date of grant representing in aggregate over 0.1% of the Shares in issue and having an aggregate value, based on the official closing price of the Shares on the date of grant, in excess of HK$5,000,000, such grant of options is subject to the approval of the independent non-executive Directors and the Shareholders in general meeting, with voting to be taken by way of poll.

(4) An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date (which shall not be later than 30 days after the date of offer of the relevant options).

(5) An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date.

(6) Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period ended on 12 June 2025. As of the date of this report, the Share Option Scheme has expired.

(7) The exercise price is determined by the directors of the Company at their discretion and will not be lower than the higher of: (a) the closing price of the ordinary Shares on the Stock Exchange at the offer date, which must be a trading day; (b) the average closing price of the ordinary Shares on the Stock Exchange for the five business days immediately preceding the offer date; (c) the nominal value of the Share.

As at the date of this report, the total number of Shares available for issue under the Share Option Scheme is Nil.

A summary of the movements of the share options granted by the Company pursuant to the Share Option Scheme during the 2026 Interim are as follows:

Grantee name/category	Date of grant	Exercise period and Vesting period	Exercise price per Share *(HK$)*	Closing price of Shares immediately before the date on which the Share Options were granted *(HK$)*	Outstanding at 1 January 2026	Granted during the 2026 Interim	Exercised during the 2026 Interim	Lapsed during the 2026 Interim	Cancelled during the 2026 Interim	Outstanding as at 30 June 2026
Former Director										
Lu Yongbin	26.04.2018	Note 1	0.94	0.90	84,000	–	–	84,000	–	–
Total:					84,000	–	–	84,000	–	–

Notes:

(1) On 26 April 2018, share options to subscribe for a total of 12,522,000 Shares were granted to certain eligible participants of the Group pursuant to the Share Option Scheme based on the terms set out in the Company's announcement dated 26 April 2018. One-third of these share options became vested on 26 April 2019 and were exercisable at any time during the period commenced on 26 April 2019 and ended on 25 April 2024 (both dates inclusive), a further one-third became vested on 26 April 2020 and were exercisable at any time during the period commenced on 26 April 2020 and ended on 25 April 2025 (both dates inclusive), and the remaining one-third became vested on 26 April 2021 and shall be exercisable at any time during the period commenced on 26 April 2021 and ending on 25 April 2026 (both dates inclusive).

(2) The Share Option Scheme was expired on 12 June 2025. Accordingly, no options were available for grant at the beginning of, and during, the 2026 Interim. In addition, no further options can be granted thereunder.

The valuation of share options granted under the Share Option Scheme was conducted based on the binomial model with the following assumptions:

At grant date	26 April 2018
Expected volatility (per year)	59.03%–62.75%
Expected life of options (year)	6.0–8.0
Average risk-free interest rate (per year)	2.11%–2.13%
Expected dividend yield (per year)	5.74%
Estimated rate of leaving service (per year)	27.5%

The variables and assumptions used in computing the fair values of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

The amount will either be transferred to share capital when the related share options are exercised, or be transferred to retained profits when the related share options expire or be forfeited.

No share option expense was recognized during the 2026 Interim (2025 Interim: Nil) in relation to the share options granted by the Company.

Pension Scheme

The Group contributes to defined contribution retirement plans which are available for eligible employees in the PRC and Hong Kong.

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "**PRC Retirement Schemes**"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

The Group operates a Mandatory Provident Fund scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

During the 2026 Interim, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 30 June 2026 under the PRC Retirement Scheme and the MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

Other Information

Corporate Governance Practices

The Company believes that maintaining high standards of corporate governance is the foundation for effective management and successful business growth. The Company is committed to developing and maintaining robust corporate governance practices to safeguard the interests of the Shareholders and to enhance corporate value, accountability and transparency of the Company.

The Company has adopted the principles and code provisions (the "**Code Provisions**") set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "**CG Code**") as the basis of the Company's corporate governance practices. Throughout the 2026 Interim, the Company has complied with all applicable code provisions of the CG Code except for Code Provision C.2.1.

Pursuant to Code Provision C.2.1, the role(s) of chairman and chief executive should be separate and should not be performed by the same individual. As the duties of the chairman of the Board ("Chairman") and the chief executive officer of the Company are performed by Mr. Tang Wing Fong Terry, the Company has deviated from Code Provision C.2.1. The Board considers that having Mr. Tang acting as both the Chairman and the chief executive officer of the Company will provide a strong and consistent leadership to the Company and allow for more effective planning and management for the Group. In view of Mr. Tang's extensive experience in the industry, personal profile and critical role in the Group and its historical development, the Board considers that it is beneficial to the business prospects of the Group that Mr. Tang continues to act as both the Chairman and the chief executive officer of the Company. As all major decisions are made in consultation with the members of the Board, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Model Code For Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct governing its directors' securities transactions. Specific enquiries have been made with all the Directors and they have confirmed that they have fully complied with the Model Code during the 2026 Interim.

The Company has also established written guidelines on terms no less exacting terms than the Model Code (the "**Employees Written Guidelines**"), for securities transactions by relevant employees (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the 2026 Interim. In the event that the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Upon specific enquiry by the Company and confirmations from the Directors, there has been no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the 2026 Interim.

Audit Committee

The Audit Committee consists of three members, being Ms. Lo Wan Man, Mr. Lau Wai Leung, Alfred and Mr. Wong Wai Ming, all are independent non-executive Directors. Ms. Lo Wan Man currently serves as the chairlady of the Audit Committee.

The financial information contained in this interim report has not been audited by the Company's external auditor but the interim report has been reviewed by all members of the Audit Committee. Based on such review, the Audit Committee was satisfied that the interim report were prepared in accordance with applicable accounting standards. The Audit Committee does not have any disagreement with the accounting treatment adopted by the Company.

Sufficiency of Public Float

Based on the publicly available information and to the best of the Directors' knowledge, information and belief, the Company had maintained sufficient public float of not less than 25% of its total issued shares as required under the Listing Rules from 1 January 2026 up to the date of this report.

By the order of the Board
Sky Light Holdings Limited
Tang Wing Fong Terry
Chairman

Hong Kong
28 August 2026

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue	6	**120,852**	134,513
Cost of sales		**(96,037)**	(119,949)
Gross profit		**24,815**	14,564
Other income and other (loss)/gains, net	7	**(6,762)**	1,543
Selling and distribution expenses		**(8,933)**	(8,399)
Administrative expenses		**(19,710)**	(18,419)
Research and development expenses		**(11,512)**	(11,405)
Other expenses		**(206)**	(6,242)
Loss from operations		**(22,308)**	(28,358)
Finance costs	8	**(6,569)**	(1,531)
Loss before tax		**(28,877)**	(29,889)
Income tax expense	9	**–**	–
Loss for the period	10	**(28,877)**	(29,889)
Attributable to:			
Owners of the Company		**(28,450)**	(20,501)
Non-controlling interests ("NCI")		**(427)**	(9,388)
		(28,877)	(29,889)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	12		
Basic		**HK(2.8) cent**	HK(2.0) cent
Diluted		**HK(2.8) cent**	HK(2.0) cent

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Loss for the period	**(28,877)**	(29,889)
Other comprehensive income:		
Item that will not be reclassified to profit or loss:		
Fair value changes of equity investment designated at fair value through other comprehensive income ("FVTOCI")	**303**	84
Item that will be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**11,061**	2,495
Other comprehensive income for the period, net of tax	**11,364**	2,579
Total comprehensive expense for the period	**(17,513)**	(27,310)
Attributable to:		
Owners of the Company	**(19,426)**	(18,850)
NCI	**1,913**	(8,460)
	(17,513)	(27,310)

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Note	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	13	**24,020**	26,916
Intangible assets		**704**	922
Right-of-use assets	14	**17,651**	23,232
Equity investment designated at FVTOCI		**7,906**	7,603
Total non-current assets		**50,281**	58,673
Current assets			
Inventories		**85,012**	76,234
Trade and factoring receivables	15	**48,260**	52,405
Prepayments and other receivables	16	**28,066**	24,510
Financial asset at fair value through profit or loss ("FVTPL")	17	**5,601**	5,502
Restricted and pledged bank deposits	18	**2,745**	2,724
Cash and cash equivalents		**41,432**	61,478
Total current assets		**211,116**	222,853
Current liabilities			
Trade payables	19	**66,313**	69,782
Other payables and accruals	20	**98,519**	75,827
Interest-bearing bank and other borrowings	21	**21,791**	43,020
Lease liabilities		**9,773**	12,055
Total current liabilities		**196,396**	200,684
Net current assets		**14,720**	22,169
Total assets less current liabilities		**65,001**	80,842
Non-current liabilities			
Lease liabilities		**13,841**	17,225
Convertible bonds	22	**46,006**	40,950
Total non-current liabilities		**59,847**	58,175
Net assets		**5,154**	22,667

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Note	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Equity			
Equity attributable to owners of the Company			
Share capital	23	**10,086**	10,086
Reserves	24	**(15,886)**	567
		(5,800)	10,653
NCI		**10,954**	12,014
Total equity		**5,154**	22,667

Approved by the Board of Directors on 28 August 2026 and are signed on its behalf by:

Tang Wing Fong Terry
Director

Lo Wan Man
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Unaudited												
	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000 Note 24(b)(i)	Fair value reserve of equity investment designated at FVTOCI HK$'000	Capital reserve HK$'000 Note 24(b)(ii)	Share-based payments reserve HK$'000 Note 24(b)(iii)	Statutory reserve HK$'000 Note 24(b)(iv)	Convertible bond equity reserve HK$'000 Note 24(b)(vi)	Other reserve HK$'000 Note 24(b)(vii)	Accumulated losses HK$'000	Foreign currency translation reserve HK$'000 Note 24(b)(v)	Total HK$'000	NCI HK$'000	Total equity HK$'000
At 1 January 2025	10,086	820,473	(24,450)	148,807	1,201	37,050	–	–	(860,940)	(39,687)	92,540	(35,052)	57,488
Loss for the period	–	–	–	–	–	–	–	–	(20,501)	–	(20,501)	(9,388)	(29,889)
Other comprehensive income for the period:													
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	1,567	1,567	928	2,495
Changes in fair value of equity investment designated at FVTOCI, net of tax	–	–	84	–	–	–	–	–	–	–	84	–	84
Total comprehensive income/(expense) for the period:	–	–	84	–	–	–	–	–	(20,501)	1,567	(18,850)	(8,460)	(27,310)
At 30 June 2025	10,086	820,473	(24,366)	148,807	1,201	37,050	–	–	(881,441)	(38,120)	73,690	(43,512)	30,178
At 1 January 2026	**10,086**	**820,473**	**(23,436)**	**148,807**	**29**	**37,050**	**8,470**	**(55,585)**	**(898,927)**	**(36,314)**	**10,653**	**12,014**	**22,667**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(28,450)**	**–**	**(28,450)**	**(427)**	**(28,877)**
Other comprehensive income for the period:													
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**8,721**	**8,721**	**2,340**	**11,061**
Changes in fair value of equity investment designated at FVTOCI, net of tax	**–**	**–**	**303**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**303**	**–**	**303**
Total comprehensive income/(expense) for the period:	**–**	**–**	**303**	**–**	**–**	**–**	**–**	**–**	**(28,450)**	**8,721**	**(19,426)**	**1,913**	**(17,513)**
At 30 June 2026	**10,086**	**820,473**	**(23,133)**	**148,807**	**29**	**37,050**	**8,470**	**(55,585)**	**(927,377)**	**(27,593)**	**(8,773)**	**13,927**	**5,154**

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**6,932**	12,003
Purchases of property, plant and equipment and intangible assets	**(772)**	(1,980)
Proceeds from disposals of property, plant and equipment	**–**	4,074
Interest received	**1,292**	725
Proceeds from disposal of investment in an associate	**–**	2,621
NET CASH GENERATED FROM INVESTING ACTIVITIES	**520**	5,440
Proceeds received under supplier finance arrangements	**4,521**	–
Repayments under supplier finance arrangements	**(15,601)**	–
Inception of interest-bearing bank borrowings	**5,756**	24,777
Repayments of interest-bearing bank borrowings	**(15,905)**	(17,660)
Interest paid	**(1,513)**	(1,531)
Principal elements of lease payments	**(5,666)**	(4,701)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	**(28,408)**	885
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(20,956)**	18,328
Effect of foreign exchange rate changes	**910**	2,666
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**61,478**	38,450
CASH AND CASH EQUIVALENTS AT 30 JUNE	**41,432**	59,444

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2026

1. Corporate Information

The Company is a limited liability company incorporated in the Cayman Islands on 18 December 2013. The Company's registered office address is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 July 2015.

The Company is an investment holding company. During the period, the Company's subsidiaries were principally engaged in:

- Manufacture and distribution of home surveillance cameras
- Manufacture and distribution of digital imaging products
- Manufacture and distribution of other electronic products
- Operation of on-demand delivery system services

In the opinion of the directors of the Company (the "Directors"), the immediate holding company and the ultimate holding company of the Company is Fortune Six Investment Ltd., a company incorporated in the British Virgin Islands.

2. Basis of Preparation

These Condensed Consolidated Financial Statements have 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") and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 31 December 2025 (the "2025 Annual Report"), except for the new and revised HKFRS Accounting Standards issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRS Accounting Standards that have been issued but are not yet effective for the current period.

3. Adoption of New and Revised HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2026:

Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and measurement of financial instruments
Amendment to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates. In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2025 Annual Report.

4. Fair Value and Fair Value Hierarchy of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy

Description	Fair value measurements using:			Total
	Level 1	Level 2	Level 3	30 June 2026
	HK$'000	HK$'000	HK$'000	HK$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Recurring fair value measurements:				
Financial assets at FVTOCI:				
Unlisted equity investment	**–**	**–**	**7,906**	**7,906**
Financial assets at FVTPL:				
Investment in a life insurance policy	**–**	**5,601**	**–**	**5,601**
	–	**5,601**	**7,906**	**13,507**

Description	Fair value measurements using:			Total
				31 December
	Level 1	Level 2	Level 3	2025
	HK$'000	HK$'000	HK$'000	HK$'000
	(Audited)	(Audited)	(Audited)	(Audited)
Recurring fair value measurements:				
Financial assets at FVTOCI:				
Unlisted equity investment	–	–	7,603	7,603
Financial assets at FVTPL:				
Investment in a life insurance policy	–	5,502	–	5,502
	–	5,502	7,603	13,105

4. Fair Value and Fair Value Hierarchy of Financial Instruments *(Continued)*

(b) Reconciliation of financial assets measured at fair value based on level 3

	Financial assets at FVTOCI	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Audited)
At 1 January	**7,603**	6,589
Total income recognised in other comprehensive income	**303**	1,014
At 30 June/31 December	**7,906**	7,603

The total gains or losses recognised in other comprehensive income are presented in fair value changes of equity investment designated at fair value through other comprehensive income in the statement of profit or loss and other comprehensive income.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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

The fair value of unlisted equity investment has been estimated using a discounted cash flow valuation model based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to make estimates about expected future cash flows, credit risk, volatility and discount rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair value of investment in life insurance is determined by reference to the cash surrender value as provided by the insurance company.

5. Operating Segment Information

The Group focuses primarily on the manufacture and distribution of home surveillance cameras, digital imaging products, other electronic products and provision of on-demand delivery system services during the period.

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The information reported to the Directors, who are the chief operating decision makers for the purpose of resource allocation and assessment of performance, does not contain profit or loss information of each product line and the Directors reviewed the financial results of the Group as a whole. At the end of the reporting period, the operations of the Group constitute two reportable segments: Manufacture and sales of camera products and related accessories business and operation of on-demand delivery system services business.

The chief operating decision-marker ("CODM") reviews the Group's result by each of the business line in order to assess performance and allocation of resources. Other than segment results, no segment assets and liabilities are available for the assessment of performance and allocation of resources for the year as in the opinion of the directors, the cost to develop it would be excessive. The CODM reviews the segment results of the Group as a whole to make decisions.

	Manufacture and sales of camera products and related accessories business HK$'000 (Unaudited)	On-demand delivery system services business HK$'000 (Unaudited)	For the six months ended 30 June 2026 HK$'000 (Unaudited)
Revenue from external customers	**120,432**	**420**	**120,852**
Cost of sales	**(96,023)**	**(14)**	**(96,037)**
Segment results	**24,409**	**406**	**24,815**
Other income and loss, net			**(6,762)**
Finance costs			**(6,569)**
Unallocated expenses			**(40,361)**
Income tax expense			**–**
Loss for the period			**(28,877)**

5. Operating Segment Information *(Continued)*

	Continuing operations Manufacture and sales of camera products and related accessories business HK$'000 (Unaudited)	Discontinued operations Operation of AI vending machines HK$'000 (Unaudited)	For the six months ended 30 June 2025 HK$'000 (Unaudited)
Revenue from external customers	134,513	–	134,513
Cost of sales	(119,949)	–	(119,949)
Segment results	14,564	–	14,564
Other income and gains, net			1,543
Finance costs			(1,531)
Unallocated expenses			(44,465)
Income tax expense			–
Loss for the period			(29,889)

Geographical information

(a) Revenue from external customers

	Six months ended 30 June 2026 HK$'000 (Unaudited)	Six months ended 30 June 2025 HK$'000 (Unaudited)
European Union	**53,825**	46,905
Hong Kong	**22,245**	27,693
United States of America	**18,927**	24,143
Mainland China	**19,218**	7,665
Other countries/regions	**6,637**	28,107
	120,852	134,513

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

5. Operating Segment Information *(Continued)*

Geographical information (Continued)

(b) Non-current assets

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Mainland China	**18,782**	24,551
Hong Kong	**1,061**	1,323
Vietnam	**21,909**	24,231
Other countries/regions	**623**	965
	42,375	51,070

The non-current assets information above is based on the locations of the assets and excludes financial instruments and investment in an associate.

Information about major customers

Revenue derived from sales to individual customers, which accounted for 10% or more of the total revenue, is set out below:

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Customer A	**41,956**	30,319
Customer B	**–**	24,648
Customer C	**–**	23,921
Customer D	**–**	16,196
Customer E	**–**	14,604

6. Revenue

An analysis of revenue is as follows:

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue from contracts with customers		
Type of goods or services		
Sale of industrial products	**100,582**	133,395
Provision of manufacturing services	**19,850**	1,118
Provision of on-demand delivery system services	**420**	–
Total revenue from contracts with customers	**120,852**	134,513
Timing of revenue recognition		
At a point in time	**120,432**	134,513
Over time	**420**	–
	120,852	134,513

The performance obligation for sale of industrial products is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

The performance obligation for provision of on-demand delivery system services is satisfied upon delivery of services and payment is received in advance or due on delivery.

7. Other Income and Other (Loss)/Gains, Net

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Bank interest income	**1,292**	725
Government grants*	**175**	572
Fair value gain on financial assets at FVTPL	**–**	110
Exchange losses, net	**(8,668)**	(2,090)
Gain on disposals of property, plant and equipment	**–**	1,720
Gain on disposal of investment in an associate	**–**	328
Gain on early termination of lease	**–**	115
Refund of withholding tax	**206**	–
Trade and other payable written off	**70**	–
Subscription income	**111**	–
Others	**52**	63
	(6,762)	1,543

* Government grants mainly represents rewards or subsidies for research from the local governments without unfulfilled conditions.

8. Finance Costs

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Interests on:		
Bank and other borrowings	**983**	1,213
Lease liabilities	**530**	318
Convertible bonds	**5,056**	–
	6,569	1,531

9. Income Tax Expense

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Current tax:		
— PRC Corporate Income Tax ("CIT")	–	–

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Pursuant to the PRC Income Tax Law and the respective regulations, the subsidiaries which operate in Mainland China are subject to CIT at a rate of 25% on the taxable income. Preferential tax treatments were available for two (2025: two) of the Group's principal operating subsidiaries, Sky Light Electronics (Shenzhen) Limited and 西安天睿軟件有限公司, since they were recognised as High and New Technology Enterprises and entitled to a preferential tax rate of 15% during the reporting period. Preferential tax treatments were available for one (2025: Nil) of the Group's principal operating subsidiaries, Fengcai Intelligent Digital Technology (Shenzhen) Co., Ltd. ("Fengcai Intelligent"), since it is qualified as a Micro and Small Enterprise. From 1 January 2023 to 31 December 2027, the annual taxable income not more than RMB3,000,000 of a micro and small enterprise is subject to the Enterprise Income Tax calculated at 25% of its taxable income at a tax rate of 20%.

The Group's subsidiaries in the United States of America are subject to the federal tax at a rate of 21% (2025: 21%), and also subject to the statutory applicable state corporate income tax at a rate of 7% (2025: 7%).

The Group's subsidiary in the United Kingdom is subject to corporate income tax at a rate of 19% (2025: 19%).

The Group's subsidiary in Vietnam is subject to corporate income tax at a rate of 20% (2025: 20%). Pursuant to the relevant laws and regulations in Vietnam, entities in Vietnam engaged in qualified investment projects are eligible for Vietnam CIT exemption for the first year to the second year, and a 50% reduction for the third year to the sixth year starting from the year in which the entities first generate income from the investment projects, on the assessable profits from such investment projects.

10. Loss for the Period

The Group's loss for the period is arrived at after charging/(crediting):

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Cost of inventories sold	**96,037**	119,949
Depreciation of property, plant and equipment	**4,345**	1,647
Depreciation of right-of-use assets	**5,954**	4,588
Amortisation of intangible assets [(i)]	**302**	629
Research and development expenses	**11,512**	11,405
Employee benefit expense (excluding directors' and chief executive's remuneration):		
— Wages and salaries	**30,326**	29,887
— Pension scheme contributions [(ii)]	**2,792**	2,444
	33,118	32,331
Allowance for inventories	**5,430**	16,503
Reversal of allowance for inventories [(iii)]	**(17,286)**	(5,862)
(Reversal of allowance)/allowance for inventories (included in cost of inventories sold)	**(11,856)**	10,641
Impairment losses of trade and factoring receivables	**130**	4,460
Exchange losses, net	**8,668**	2,090
Loss/(gain) on disposals of property, plant and equipment	**62**	(1,720)

Notes:

(i) The amortisation of software is included in "Research and development expenses" and the amortisation of other intangible assets is included in "Selling and distribution expenses" in the condensed consolidated statement of profit or loss.

(ii) The Group contributes to defined contribution retirement plans which are available for eligible employees in the People's Republic of China (the "PRC") and Hong Kong.

Pursuant to the relevant laws and regulations in the PRC, the Group has joined defined contribution retirement schemes for the employees arranged by local government labour and security authorities (the "PRC Retirement Schemes"). The Group makes contributions to the PRC Retirement Schemes at the applicable rates based on the amounts stipulated by the local government organisations. Upon retirement, the local government labour and security authorities are responsible for the payment of the retirement benefits to the retired employees.

The Group operates a Mandatory Provident Fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and the employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

During the six months ended 30 June 2026 and 2025, the Group had no forfeited contributions under the PRC Retirement Scheme and MPF Scheme and which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at 30 June 2026 and 31 December 2025 under the PRC Retirement Scheme and MPF Scheme which may be used by the Group to reduce the contribution payable in future years.

(iii) The reversal of allowance for inventories for both periods mainly resulted from the utilisation of the inventories of which allowance had previously been provided.

11. Dividend

The Directors do not recommend the payment of any interim dividend during the period (six months ended 30 June 2025: Nil).

12. Loss Per Share

The calculation of the basic loss per share amount is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 1,008,587,000 (2025: 1,008,587,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2026 and 2025 in respect of a dilution as the impact of the share option schemes had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic loss per share are based on:

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Loss		
Loss attributable to owners of the Company used in the basic loss per share calculation	**(28,450)**	(20,501)

	Number of shares	
	2026 '000	2025 '000
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	**1,008,587**	1,008,587
Basic	**HK(2.8) cent**	HK(2.0) cent
Diluted	**HK(2.8) cent**	HK(2.0) cent

13. Property, Plant and Equipment

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of HK$755,000 (six months ended 30 June 2025: HK$1,980,000).

Certificates of ownership in respect of buildings of the Group located in Mainland China with a net carrying value of HK$1,979,000 as at 30 June 2026 (At 31 December 2025: HK$2,016,000) have not yet been issued by the relevant Mainland China authorities. The Group is in the process of obtaining these certificates.

14. Right-of-use Assets

During the six months ended 30 June 2026, the Group did not enter into new lease agreements for use of office and leased properties. The Group makes fixed payments during the contract period.

15. Trade and Factoring Receivables

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade receivables	**73,377**	62,636
Impairment losses	**(25,117)**	(27,135)
	48,260	35,501
Factoring receivables	**–**	17,332
Impairment losses	**–**	(428)
	–	16,904
	48,260	52,405

The general credit terms of the Group granted to its customers range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

The Group has entered into receivable purchase arrangements with a bank for the factoring of trade receivables with a designated customer. As at 30 June 2026, no trade receivables were factored to the bank (At 31 December 2025: HK$17,332,000).

15. Trade and Factoring Receivables *(Continued)*

The ageing analysis of the trade and factoring receivables as at the end of the reporting period, based on the invoice date and net of impairment losses, is as follows:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 1 month	**30,567**	14,761
1 to 2 months	**63**	15,842
2 to 3 months	**5,749**	8,021
Over 3 months	**11,881**	13,781
	48,260	52,405

16. Prepayments and Other Receivables

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Prepayments	**5,195**	3,184
Deposits and other receivables	**22,871**	21,326
	28,066	24,510

17. Financial Asset At FVTPL

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Investment in life insurance policy	**5,601**	5,502

In March 2010, the Group's subsidiary, Sky Light Digital Limited entered into a life insurance policy with an insurance company to insure Mr. Tang Wing Fong, Terry, a director of the Company. Under the policy, the beneficiary and the policy holder is Sky Light Imaging Limited and the total insured sum is HK$12,422,000. The Group was required to pay a one-off premium payment of HK$4,109,000 at the inception of the policy. A guaranteed interest rate of 5.2% per annum applied for the first year, followed by the discretionary portion with a minimum guaranteed interest rate of 3.0% per annum for the following years until termination. The Group can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of withdrawal ("Cash Surrender Value"), which is determined by the premium payment plus accumulated guaranteed interest earned minus the accumulated insurance charges, policy expense charges and a specified amount of surrender charge if the withdrawal is made between 1st to 15th policy year.

The carrying amount represented the Cash Surrender Value of the policy and approximates its fair value at the end of the reporting periods. As at 30 June 2026 and 31 December 2025, the life insurance was pledged to a bank to secure banking facilities of the Group as set out in note 21. Details of fair value measurement are set out in note 4.

18. Restricted and Pledged Bank Deposits

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Restricted and pledged bank deposits	**2,745**	2,724

The Group's restricted and pledged bank deposits represented deposits pledged to a bank to secure banking facilities granted to the Group as set out in note 21.

19. Trade Payables

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Trade payables	**66,313**	69,782

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

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Within 1 month	**38,393**	38,237
1 to 2 months	**3,821**	8,455
2 to 3 months	**12,865**	3,990
Over 3 months	**11,234**	19,100
	66,313	69,782

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 150 days.

20. Other Payables and Accruals

	Note	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Contract liabilities		**44,277**	31,579
Other payables		**17,481**	4,550
Salary and welfare payables		**4,972**	6,775
Amount due to a director	(i)	**17,655**	17,655
Amount due to a non-controlling shareholder of a subsidiary		**7,781**	7,781
Withholding tax payables		**6,353**	7,487
		98,519	75,827

Note:

(i) As at 30 June 2026, the amount due to a director of HK$17,655,000 (At 31 December 2025: HK$17,655,000) is unsecured and carries interest at 3% per annum.

21. Interest-Bearing Bank and Other Borrowings

	Note	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Bank loans — secured	(ii)(iii)	**17,270**	27,419
Bank loans under supplier finance arrangements — secured	(iv)	**4,521**	15,601
The borrowings are repayable as follows:			
Within one year		**21,791**	43,020

Notes:

(i) The Group's banking facilities with banks in Hong Kong and the PRC amounting to HK$111,106,000 (As at 31 December 2025: HK$108,275,000), of which HK$17,270,000 (As at 31 December 2025: HK$27,419,000) had been utilised as at the end of the reporting period.

(ii) The bank loans as at 30 June 2026 were secured by the pledge of the life insurance policy and pledged bank deposits as set out in note 17 and 18 to the condensed consolidated financial statements, personal guarantee executed by a controlling shareholder of the Company, corporate guarantee executed by two subsidiaries of the Group and a director's property in the PRC respectively.

(iii) All bank loans are denominated in the US$ and RMB and repayable within one year.

(iv) The Group has entered into certain supplier finance arrangements with a PRC bank. Under these arrangements, the bank pays suppliers the amounts owed by the Group. The Group's obligations to suppliers are legally extinguished on settlement by the relevant bank. The Group then settles with the bank between 173-180 days after settlement by the bank with interest ranges from 1.8% – 1.9% per annum. These arrangements have extended the payment terms, which may be extended beyond the original due dates of respective invoices.

22. Convertible Bonds

On 4 July 2025, the Company issued HK$46,200,000, 8% coupon convertible bonds (the "Convertible Bonds") with a principal amount of HK$46,200,000, divided into a bond of HK$100,000 each. The net proceed of the Convertible Bonds of HK$44,929,000 were received by the Company after deduction of transaction cost of HK$1,271,000. The Convertible Bonds are denominated in HK$.

The maturity date of the Convertible Bonds is (a) the date falling on the expiry of eighteen months of the issue date; or (b) the date falling on the 2nd anniversary of the issue date, upon delivery of a written notice by the issuer to the bondholders prior to 30 November 2026, whichever the above (a) or (b) is later.

The conversion period is the option of the bondholder into ordinary shares of the Company at any time commencing from 180th day immediately after the issue date to the date that is five business days prior to the maturity date.

The bondholders shall have the right to convert in whole or in part of the outstanding principal amount of the Convertible Bonds registered under a bondholder's name into conversion share as provided further that any conversion shall be made in amounts of not less than a whole multiple of HK$100,000 on each conversion save that if at any time the outstanding principal amount of the Convertible Bonds held is less than HK$100,000 may be converted.

On maturity date, the Company shall redeem each outstanding Convertible Bond by paying the bondholder (i) an amount which equals to 100% principal amount of such bond, together with (ii) any accrued but unpaid interest on such bond for the period to the maturity date.

The Convertible Bonds carry interest at 8% per annum. Any accrued but unpaid interest is payable on the earlier of (i) the due date for redemption and (ii) the maturity date. The Convertible Bonds are freely assigned or transferred to any person, provided that no transfer of the Convertible Bonds to any connected person.

The Convertible Bonds issued have been split into the liability and equity components as follows:

	HK$'000
As at 1 January 2025	
Nominal value of Convertible Bonds issued	46,200
Equity component	(8,710)
Direct transaction cost attributable to the liability component	(1,031)
Liability component at the issuance date	36,459
Interest expense	4,491
Liability component at 31 December 2025	40,950
Interest expense	5,056
Liability component at 30 June 2026	46,006

23. Share Capital

	Number of shares	Amount HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	**2,000,000,000**	20,000
Issued and fully paid:		
At 31 December 2025 (Audited) and 30 June 2026 (Unaudited)	**1,008,587,455**	10,086

24. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current period and prior period are presented in the condensed consolidated statement of changes in equity on page 22 of this report.

(b) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Capital reserve

The Group's capital reserve represents the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation over the nominal value of the Company's shares issued in exchange therefor.

24. Reserves *(Continued)*

(b) Nature and purpose of reserves (Continued)

(iii) Share-based payments reserve

The share-based payments reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the Group.

(iv) Statutory reserve

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(vi) Convertible bonds equity reserve

Convertible bonds equity reserve represents amount of the equity component of convertible bonds issued by the Company.

(vii) Other reserve

Other reserve arose from the acquisitions of non-controlling interests in subsidiaries and represents the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid on transactions with equity owners in the capacity as equity holders that result in changes in ownership interests while retaining control. It also includes the reserve arose from the loan capitalisation as additional capital in non-wholly owned subsidiaries

25. Contingent Liabilities

The Group did not have any significant contingent liabilities as at 30 June 2026 (As at 31 December 2025: Nil).

26. Capital Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
Contracted, but not provided for:		
Plant and machinery	**282**	534

27. Related Party Transactions

Compensation of key management personnel of the Group

	Six months ended 30 June	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Short-term employee benefits	**1,785**	1,935
Post-employment benefits	**18**	27
Total compensation paid to key management personnel	**1,803**	1,962

28. Approval of Condensed Consolidated Financial Statements

The condensed consolidated financial statements of the Group for the six months ended 30 June 2026 were approved and authorised for issue by the Board on 28 August 2026.