



HOME CONTROL INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)
Stock Code : 1747

2026 INTERIM REPORT



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kwok Hoong SIU (*Chief Executive Officer*)

Mr. Haofang YANG

Non-executive Director

Ms. Ying MA

Independent Non-executive Directors

Mr. Min YE

Mr. Yi Chung CHEN

Mr. Bernard Eng Chuan LIM

AUDIT COMMITTEE

Mr. Bernard Eng Chuan LIM (*Chairman*)

Mr. Min YE

Mr. Yi Chung CHEN

REMUNERATION COMMITTEE

Mr. Yi Chung CHEN (*Chairman*)

Mr. Min YE

Ms. Ying MA

NOMINATION COMMITTEE

Mr. Min YE (*Chairman*)

Ms. Ying MA

Mr. Yi Chung CHEN

COMPANY SECRETARY

Ms. Sum Yi TSUI *ACG, HKACG*

AUTHORISED REPRESENTATIVES

Mr. Haofang YANG

Ms. Sum Yi TSUI

REGISTERED OFFICE

Vistra (Cayman) Limited

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road

Grand Cayman KY1-1205

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

6 Shenton Way

#27-10, OUE Downtown 2

Singapore 068809

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Room 1901, 19/F, Lee Garden One

33 Hysan Avenue, Causeway Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE 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 SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Corporate Information

PRINCIPAL BANK

Citibank N.A. Singapore Branch
8 Marina View
#21-00 Asia Square Tower 1
Singapore 018960

LEGAL ADVISER TO THE COMPANY

As to Hong Kong law

Haiwen & Partners LLP

Suites 601-602 & 610-616, 6/F
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

AUDITOR

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants
Recognised Public Interest Entity Auditor
7 Straits View, Marina One, East Tower
Level 12, Singapore 018936

STOCK CODE

1747

COMPANY'S WEBSITE

www.omnidevices.com

Definitions

In this interim report, unless the context otherwise requires, the following terms shall have the meanings set forth below.

“Award Shares”	in respect of a Selected Grantee, such number of Shares determined by and granted by the Board pursuant to the Share Award Scheme
“Board”	the board of Directors
“CEO”	the chief executive officer of the Company
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China and, for the purposes of this report, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	Home Control International Limited, a company incorporated in the Cayman Islands on 24 December 2014 as an exempted company with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1747)
“Corporate Governance Code”	the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares of the Company on the Main Board of the Stock Exchange
“Listing Date”	14 November 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Nomination Committee”	the nomination committee of the Board
“Philips”	Koninklijke Philips N.V., one of the largest electronics companies in the world, incorporated under the laws of the Netherlands and headquartered in Amsterdam

Definitions

"Placing"	the placing of the Placing Shares under the general mandate by the Placing Agent at the Placing Price under the terms and conditions of the Placing Agreement, as disclosed in the announcements of the Company dated 18 November 2025 and 25 November 2025
"Placing Agent"	Macquarie Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Placing Agreement"	the placing agreement dated 18 November 2025 entered into between the Company and the Placing Agent in respect of the Placing
"Placing Price"	HK\$3.80 per Placing Share (exclusive of any brokerage, Stock Exchange trading fees, SFC transaction levy and AFRC transaction levy)
"Placing Shares"	up to 28,424,000 new Shares allotted and issued pursuant to the terms and conditions of the Placing Agreement, and each a "Placing Share"
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme"	the stock option plan of the Company as approved by the Board on 1 May 2015
"Selected Grantee(s)"	the eligible participant(s) being selected for participation in the Share Award Scheme and conditionally awarded the Award Shares
"SGD"	Singapore dollar(s), the lawful currency of the Republic of Singapore
"Share(s)"	ordinary share(s) with nominal value of US\$0.01 each in the share capital of the Company
"Share Award Scheme"	the share award scheme adopted by the Company on 20 August 2020, as amended from time to time
"Shareholder(s)"	the holder(s) of Share(s) of the Company
"Singapore"	the Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"U.S." or "United States"	the United States of America
"U.S. dollar" or "US\$"	United States dollar, the lawful currency of the United States

Management Discussion and Analysis

OVERVIEW

The Group is a globally leading provider of home control solutions, headquartered in Singapore with a presence in North America, Europe, Asia, and Latin America. Initially established as the home control division of Koninklijke Philips N.V. in the late eighties, the Group was fully acquired by Morgan Stanley Private Equity Asia in May 2015 and listed on the Stock Exchange in November 2019.

Renowned for developing and offering bespoke, high-quality remote controls for home entertainment, the Group caters to an extensive array of pay television operators and consumer electronics brands. Our products have been shipped to over 40 countries to notable companies such as AT&T Services Inc. in North America, Sky CP Limited, British Telecommunications PLC, Vodafone Group Services Limited, and Liberty Global Services B.V. in Europe, along with Reliance Retail Limited, Bharti Airtel Limited, and Hisense Electric Co., Ltd. in Asia.

Innovation is at the core of the Group's operations, as evidenced by our portfolio of over 200 invention patents and one of the world's most comprehensive Infrared (IR) code databases. Our intelligent multi-device control solution, Simple Setup, has been successfully deployed to numerous customers within the pay television and consumer electronics sectors. Furthermore, our sustainability-focused portfolio, featuring solar and ultra-low power platforms, has garnered significant industry recognition and commercial interest.

At the end of 2024, the Group updated its brand from "Omni Remotes" to include "Omni Devices" to better reflect our expanding ambitions beyond Control Solutions, driven by notable progress particularly in the healthcare domain. By leveraging our decades-long professional experience and strength, and through long-standing efforts of technological innovation and market exploration, our Healthcare Solutions segment grew to approximately 24.9% of total revenue for the six months ended 30 June 2026, up from approximately 19.7% for the six months ended 30 June 2025. We are committed to investing in technologies related to sustainability, advanced sensing and wireless connectivity to develop targeted solutions for vertical segments, particularly in healthcare domain.

On 24 June 2025, the Group reached a new milestone with the acquisition of the majority shareholding of the Company by Meta-Wisdom Tech Limited, a holding company focused on healthcare. This new partnership builds on our legacy of sustainability and momentum in providing Healthcare Solutions. We aim to establish a health monitoring ecosystem tailored to foreseeable home care scenarios. This will be put together through our prior innovations conceived for home living, the new shareholder's healthcare expertise, and collaborations with relevant institutions and domain experts in the coming period. The Group will strategically expand in the healthcare domain, allocate resources and form broader partnerships to explore wider range of products, services and integrated solutions tailored to the needs.

On 22 September 2025, the Group incorporated a wholly-owned limited liability company in Hong Kong, namely Orbiva Limited ("Orbiva") to further expand a wider range of healthcare businesses landscape. Orbiva is dedicated to developing AIoT-enabled home healthcare platforms, ecosystems and healthcare management products and the provision of healthcare operation services. This strategic initiative was capitalized by the Placing of new shares completed on 25 November 2025, with approximately 70% of the net proceeds earmarked for research and development in AIoT technologies and personal healthcare management products.

Management Discussion and Analysis

On 18 March 2026, the Group established Orbiva (Shenzhen) Intelligent Technology Co., Ltd. ("Orbiva (Shenzhen)") as an important operational platform within the Orbiva business structure. Leveraging Shenzhen's strengths in artificial intelligence, smart hardware, IoT technologies and advanced manufacturing, the Orbiva (Shenzhen) entity is intended to serve as Orbiva's technology and supply chain hub in the Greater Bay Area. Separately, the Group incorporated Ostin Energy Inc on 21 May 2026 as part of its preliminary assessment of opportunities relating to household energy resilience and the continuity of critical home services. These initiatives reflect the Group's broader consideration of how its longstanding home-entry and device-control capabilities may be selectively extended into adjacent applications within the same household environment.

Moving forward, the Group remains committed to serving the Pay TV and Consumer Electronics domains with products that offer evolving usability, sensing, and wireless connectivity, all produced at our sustainable high-value manufacturing facilities as they have been for decades. Additionally, we will extend our healthcare propositions to stakeholders in these domains, to collectively enhance consumer well-being while enjoying entertainment at home.

BUSINESS REVIEW

The Group's revenue for the six months ended 30 June 2026 came in at approximately US\$47.5 million, representing a decrease of approximately 20.2% from approximately US\$59.6 million for the six months ended 30 June 2025.

The Group has turned in a net profit of approximately US\$2.1 million for the six months ended 30 June 2026, representing a decrease of approximately 58.0% as compared to a net profit of approximately US\$5.0 million for the six months ended 30 June 2025.

The Board considers that the aforesaid decrease in revenue and net profit was primarily attributable to (i) shortage of memory chips at the customer's end and (ii) heightened geopolitical tensions and ongoing conflicts in the Middle East. These led to sales fluctuation and caused certain customers to adopt a more cautious approach towards order commitments and project implementation during such period as compared with the corresponding period in 2025. Easing of such geopolitical tensions may contribute to a gradual stabilisation in customer demand and project implementation.

To a lesser extent, the Board also considers that the decrease in profit attributable to owners of the Company was mainly attributable to (i) increases in raw material, transportation and other operating costs, which are driven in part by oil price volatility, supply chain disruptions and higher procurement costs arising from the Middle East conflicts, together with continued supply constraints and elevated prices of certain electronic components and (ii) incremental expenses pertaining to Artificial Intelligence (AI) incurred by Orbiva and its subsidiaries, comprising incorporation and start-up costs, compliance advisory expenses, and expenditure incurred in support of the Group's ongoing business development and diversified initiatives, including localised AI infrastructure project in Indonesia and AIoT healthcare related solutions.

In light of the market dynamics, the Group continued to rationalise its product portfolio in developed markets by scaling up higher-margin product lines, while intensifying its commercial presence and business development efforts in emerging and developing markets with robust growth potential. This dual-pronged strategy has been instrumental in fostering a more balanced product mix and a diversified geographic customer base.

Management Discussion and Analysis

PROSPECT AND OUTLOOK

The instability of the political and economic situation arising from conflicts in Russia-Ukraine and the Middle East region, as well as the volatility of US policy on global trade will pose uncertainty to the business. These factors may impede customer resumption of new projects and consumer acquisitions. It is difficult to estimate the full impact given the dynamic nature of these circumstances. Other than having the mitigation plan in place if and when the global political situation evolves to materially impact the freedom of trade within our business, the Group will pay continuous attention to the situation, adhere to government measures and recommendations, continue to mitigate foreseeable risks with all sites and subsidiaries, and endeavor to operate with minimal impact on any function serving the business and the customers.

While the Group will continue to take steps in cost management, fresh resources will be channeled into research & development, sales force expansion to diversify into several adjacent domains of the business including the focus on home healthcare, as well as improvements of its supply chain to support the existing business and the ongoing diversification. Looking ahead, we aim to develop an integrated suite of AIoT-enabled solutions and platforms that foster a healthy home environment, enabling real-time personal health management and a seamless online-offline healthcare experience.

In January 2026, the Company had entered into a strategic Memorandum of Understanding with Nanyang Technological University ("NTU") to co-develop secure AIoT-enabled healthcare solutions. Orbiva had also entered into an intellectual property license agreement (the "IP License Agreement") with NTUitive Pte Ltd, a wholly owned subsidiary and the Innovation and Enterprise (I&E) Company of NTU. These arrangements represent concrete steps towards implementing the Group's strategic direction.

Subsequent to the reporting period, on 23 July 2026, Orbiva entered into a Memorandum of Understanding with PT Articura Tech Indonesia ("Articura"), an Indonesian healthcare AI technology company, to jointly explore opportunities in localised healthcare AI infrastructure and digital health solutions in Indonesia. The proposed collaboration aims to leverage the Group's capabilities in smart devices, AI architecture, supply chain integration and global commercialisation with Articura's local healthcare digitalisation and its experience in deploying healthcare AI applications within Indonesia's medical ecosystem.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

Revenue of the Group for the six months ended 30 June 2026 decreased by approximately 20.2% (approximately US\$12.0 million) compared to the six months ended 30 June 2025 mainly due to an approximate US\$10.2 million decrease in revenue in the North America region, an approximate US\$4.9 million decrease in revenue in the Europe region, partially offset by an approximate US\$2.3 million increase in revenue in the Latin America region.

The following table sets forth the breakdown of revenue of the Group by the geographical location of customers for the six months ended 30 June 2026 and 30 June 2025, respectively.

	For the six months ended 30 June 2026		For the six months ended 30 June 2025		Changes	
	US\$'000 (Unaudited)	% of Revenue	US\$'000 (Unaudited)	% of Revenue	US\$'000	%
North America	7,401	15.6	17,605	29.6	(10,204)	-58.0
Europe	21,070	44.3	26,018	43.6	(4,948)	-19.0
Asia	13,681	28.8	12,868	21.6	813	6.3
Latin America	5,392	11.3	3,073	5.2	2,319	75.5
Total	47,544	100.0	59,564	100.0	(12,020)	-20.2

Cost of sales

The cost of sales of the Group mainly consists of components including finished goods from ODM (original design manufacturing), outsourcing and overheads. The cost of sales amounted to approximately US\$33.5 million and approximately US\$41.9 million for the six months ended 30 June 2026 and the six months ended 30 June 2025 respectively, representing approximately 70.4% and approximately 70.3% of the total revenue for the corresponding periods.

Management Discussion and Analysis

The following table sets forth the breakdown of the cost of sales for the six months ended 30 June 2026 and the six months ended 30 June 2025, respectively.

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	US\$'000 (Unaudited)	%	US\$'000 (Unaudited)	%
Cost of components	28,855	86.3	36,058	86.1
Outsourcing	3,688	11.0	4,881	11.7
Overheads	913	2.7	933	2.2
	33,456	100.0	41,872	100.0

Gross profit

Gross profit decreased by approximately US\$3.6 million from approximately US\$17.7 million for the six months ended 30 June 2025 to approximately US\$14.1 million for the six months ended 30 June 2026. Gross profit has decreased mainly due to a decrease in revenue.

Other income

Other income of the Group has decreased from approximately US\$0.05 million for the six months ended 30 June 2025 to US\$0.04 million for the six months ended 30 June 2026.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased from approximately US\$3.9 million for the six months ended 30 June 2025 to approximately US\$3.8 million for the six months ended 30 June 2026. The decrease in selling and distribution expenses was mainly due to an approximate US\$0.4 million decrease in salaries and wages, partially offset by an approximate US\$0.1 million increase in professional fees, partially offset by an approximate US\$0.1 million increase in pension contribution expenses.

Administrative expenses

Administrative expenses of the Group increased by approximately US\$0.5 million, from approximately US\$5.8 million for the six months ended 30 June 2025 to approximately US\$6.3 million for the six months ended 30 June 2026. The increase was mainly due to an approximate US\$0.5 million increase in professional fees.

Management Discussion and Analysis

Other expenses

Other expenses of the Group decreased from approximately US\$1.4 million for the six months ended 30 June 2025 to approximately US\$1.2 million for the six months ended 30 June 2026. The decrease of US\$0.2 million was mainly due to an approximate US\$0.7 million decrease in legal expenses, partially offset by an approximate US\$0.2 million increase in foreign exchange differences, an approximate US\$0.1 million increase in approbation fee and an approximate US\$0.1 million increase in miscellaneous expenses incurred by Orbiva and its subsidiaries.

Finance costs – net

Comparing to the six months ended 30 June 2025, net finance cost of the Group incurred during the six months ended 30 June 2026 decreased by approximately US\$0.2 million. The decrease was mainly due to an approximate US\$0.1 million decrease in interest on bank loans and an approximate US\$0.1 million decrease in amortization of loan facility and legal fee.

Profit before tax

Profit before tax of the Group for the six months ended 30 June 2026 was approximately US\$2.9 million, as compared to a profit before tax of approximately US\$6.4 million for the six months ended 30 June 2025. This was mainly due to the changes of the profit and loss items stated above.

Income tax expense

The Group's income tax expense decreased from approximately US\$1.4 million for the six months ended 30 June 2025 to a tax expense of approximately US\$0.8 million for the six months ended 30 June 2026. The income tax expense for the six months ended 30 June 2026 was lower mainly due to a decrease in profit before tax.

Profit for the period

As a result of the above, the Group recorded a net profit after tax of approximately US\$2.1 million for the six months ended 30 June 2026, representing a decrease of approximately US\$2.9 million from the net profit after tax for the six months ended 30 June 2025 of approximately US\$5.0 million.

Earnings per share

The basic and diluted earnings per share of the Group for the six months ended 30 June 2026 is US0.39 cents and US0.39 cents, respectively (six months ended 30 June 2025: US0.99 cents and US0.99 cents).

Management Discussion and Analysis

LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2026, the Group had cash and cash equivalents of approximately US\$31.7 million. The Board is of the opinion that the financial position of the Group is healthy, and the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures.

Cash flow

The following table sets forth a summary of the cash flows of the Group for the six months ended 30 June 2026 and 30 June 2025, respectively:

	For the six months ended	
	30 June 2026 US\$'000 (Unaudited)	30 June 2025 US\$'000 (Unaudited)
Net cash (used in)/generated from operating activities	(296)	1,658
Net cash used in investing activities	(1,174)	(676)
Net cash generated from/(used in) financing activities	424	(6,345)
Net decrease in cash and cash equivalents	(1,046)	(5,363)
Cash and cash equivalents at beginning of the period	32,735	19,443
Effects of exchange rate changes on cash and cash equivalents	33	393
Cash and cash equivalents at end of the period	31,722	14,473

The Group generates cash from operating activities primarily from sales of goods. Cash flows from operating activities reflect profit before taxation for the six months ended 30 June 2026 adjusted for (i) non-cash item such as depreciation of property, plant and equipment, and depreciation of right-of-use assets, interest expenses, allowance for inventories and other items, which lead to the operating profit before changes in working capital; and (ii) effects of cash flows arising from changes in working capital, including changes in inventories, trade and other receivables and trade and other payables and other items, which lead to cash generated from operations; and income tax paid, which result in net cash generated from operating activities.

For the six months ended 30 June 2026, the Group's net cash used in operating activities was approximately US\$0.3 million, primarily due to (i) decrease in other payables and accruals of approximately US\$1.4 million; (ii) increase in inventories of approximately US\$1.9 million; (iii) increase in trade receivables of approximately US\$2.3 million; (iv) net income tax paid of approximately US\$1.2 million; and (v) increase in prepayments and other receivables of approximately US\$0.2 million, partially offset by (i) cash generated before working capital changes of approximately US\$3.7 million and (ii) increase in trade payables of approximately US\$3.0 million.

Management Discussion and Analysis

Net cash flow used in investing activities

Cash flow used in investing activities mainly relates to purchase of property, plant and equipment. For the six months ended 30 June 2026, the Group's net cash used in investing activities was approximately US\$1.2 million, which was primarily attributable to purchases of property, plant and equipment of approximately US\$1.2 million.

Net cash flow generated from financing activities

For the six months ended 30 June 2026, the Group's net cash flow generated from financing activities was approximately US\$0.4 million, mainly attributable to approximately US\$0.4 million increase in principal portion of lease liabilities.

NET CURRENT ASSETS

The Group's net current assets decreased by approximately US\$1.5 million from approximately US\$34.5 million as at 31 December 2025 to approximately US\$33.0 million as at 30 June 2026. The decrease was primarily due to (i) a decrease in cash and cash equivalents of approximately US\$1.0 million; (ii) an increase in trade payables of approximately US\$3.0 million; and (iii) an increase in other payables and accruals of approximately US\$2.1 million; partially offset by (i) increase in inventories of approximately US\$1.7 million; (ii) an increase in trade receivables of approximately US\$2.4 million; and (iii) a decrease in tax payables of approximately US\$0.5 million.

CAPITAL EXPENDITURE

The Group's capital expenditure consisted of purchase costs relating to property, plant and equipment. For the six months ended 30 June 2026, the Group's capital expenditure amounted to approximately US\$0.5 million for the acquisition of property, plant and equipment.

Capital and investment commitments

As at 30 June 2026, the Group did not have any capital and investment expenditure contracted for as at the end of the reporting period but not recognised in the interim condensed consolidated financial statements.

BANK LOANS AND CONTINGENT LIABILITIES

Bank loans

As at 30 June 2026, the Group had nil (2025: nil) short-term bank loans.

Contingent liabilities

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

Gearing ratio

Gearing ratio equals total debt divided by the adjusted total assets of the Group. Total debt includes lease liabilities. Adjusted total assets excludes goodwill. The gearing ratios as at 30 June 2026 and 31 December 2025 are approximately 1.2% and approximately 0.6%, respectively.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments or capital assets as at 30 June 2026.

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

HCIL Master Option Limited was deemed to be dissolved on 30 March 2026.

Orbiva (Shenzhen) was incorporated on 18 March 2026 and is wholly owned by Orbiva.

Ostin Energy Inc (USA) was incorporated on 21 May 2026 and is wholly owned by Orbiva.

Save as disclosed in this report, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

FOREIGN EXCHANGE RISK MANAGEMENT

The functional currency of most entities within the Group is U.S. dollar. The sales of the Group are mainly denominated in U.S. dollar while purchases are mainly denominated in U.S. dollar or RMB. In addition, the Group has its headquarters in Singapore and operating subsidiaries in the U.S., Belgium, the PRC and Brazil, of which overheads are settled in local currencies and therefore the Group is exposed to foreign exchange risks. Fluctuations in foreign exchange rates may be caused by various factors such as change in government policies, change in domestic and international economic and political conditions, and is always unpredictable. The Group had not entered into any agreements to hedge its exchange rate exposure, as the Group's results of operations have generally been partially mitigated by the natural offset of foreign currency receivables with foreign currency payables. Going forward, the Group expects that exchange rates of SGD, RMB and US\$ will continue to fluctuate. Changes in the foreign exchange rates between the Group's functional currencies and reporting currency may have an adverse impact on the Group's finance costs, sales and product margins, and may reduce the value of, and dividends payable on, the Shares. The Group's business and financial position may be materially and adversely affected. The management of the Group will continue to monitor the Group's foreign currency exchange exposure and will take prudent measures to minimise that currency exchange risk.

Management Discussion and Analysis

EMPLOYEES, REMUNERATION POLICY

As at 30 June 2026, the Group had 142 employees (31 December 2025: 143 employees). The employees benefit expense incurred during the six months ended 30 June 2026 was approximately US\$6.0 million. As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the six months ended 30 June 2026. The Company adopted the Scheme on 1 May 2015 as incentive for eligible employees. As at 1 May 2022, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised thereunder during six months ended 30 June 2026. As at 1 May 2022, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. The Share Award Scheme shall terminate on the earlier of (i) the tenth (10th) anniversary date of the 20 August 2020; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Grantees under the Share Award Scheme. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the date of this report, to ten Selected Grantees pursuant to the Share Award Scheme. On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,379 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain PERROT ("Mr. Perrot"), the then executive Director), and three other connected Selected Grantees who are or were the then directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,787 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. On 5 October 2023, 2,508,171 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,171 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,381 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Perrot, the then executive Director), and three other connected Selected Grantees who are or were the then directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,790 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. As at 30 June 2026, all 5,016,337 Award Shares granted under the Share Award Scheme have been vested and no new Share Awards have been granted during the six months ended 30 June 2026. Accordingly, no Award Shares remain outstanding and unvested as at 30 June 2026. The details of the Share Award Scheme are disclosed in the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

Management Discussion and Analysis

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this report, the Group had not entered into any off-balance sheet transactions.

USE OF PROCEEDS FROM LISTING

Reference is made to the Company's announcement dated 25 February 2025 in relation to, among other things, the change in use of the IPO Proceeds (as defined below) (the "Change in UOP Announcement").

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date and the net proceeds raised from this initial public offering after deducting underwriting fees and other related listing expenses amounted to approximately HK\$84.93 million (equivalent to approximately US\$10.83 million) (the "IPO Proceeds").

As disclosed in the Change in UOP Announcement, the subscription of a treasury management principal protected product in the amount of HK\$38,000,000 was settled through a deposit account in the name of the Company maintained with financial intermediary acting as the custodian in November 2019. Accordingly, the planned use and actual use of the IPO Proceeds as at 30 June 2026 were as follows:

	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) HK\$' million	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) US\$' million	Partial redemption for Treasury Management Principal Protected Product Scheme No. 608 and channelled towards working capital and general corporate purpose for year ended 31 December 2022 US\$' million	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2026 US\$' million	Proceeds utilised during the six months ended 30 June 2026 US\$' million	Utilised IPO Proceeds up to 30 June 2026 US\$' million	Unutilised as at 30 June 2026 US\$' million	Expected timeline for the unutilised IPO Proceeds
1 Strategic investments or acquisitions in the over-the-top ("OTT") system and/or smart home security products	-	-	-	-	-	-	-	Originally allocated funds not utilised due to COVID-19, the economic environment had been unstable and has hindered business discussions.
2 Repayment of bank borrowing	21.12	2.69	-	-	-	2.69	-	-
3 R&D and develop the products for OTT segment and extend product lines in smart home products	-	-	-	-	-	-	-	Originally allocated funds not utilised due to COVID-19, the economic environment had been unstable and has hindered business discussions.

Management Discussion and Analysis

			Partial redemption for Treasury Management Principal Protected Product Scheme No. 608 and	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2026	Proceeds utilised during the six months ended 30 June 2026	Utilised IPO Proceeds up to 30 June 2026	Unutilised as at 30 June 2026	Expected timeline for the unutilised IPO Proceeds
	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) HK\$' million	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) US\$' million	channelled towards working capital and general corporate purpose for year ended 31 December 2022 US\$' million	US\$' million	US\$' million	US\$' million	US\$' million	
4 Expansion of professional sales force to support business expansion	13.8	1.76	-	-		1.76	-	-
5 Strengthen the supply chain management and investment by extending beyond the PRC	6.57	0.84	-	-		0.84	-	-
6 Working capital and general corporate purposes	5.44	0.70	1.63	1.65	0.44	1.12	1.21	The unutilised IPO Proceeds are expected to be fully utilised by 31 December 2027.
7 Subscription for the Treasury Management Principal Protected Product Scheme No. 608	38.00	4.84	(1.63)	-		3.21	-	-
	84.93	10.83	-	1.65	0.44	9.62	1.21	

Note that partial redemption
of the Investment Product
should be channelled
towards this category
instead.

Note: For illustrative purposes only, an exchange rate of HK\$7.84 to US\$1.00 has been adopted for the calculation of the planned use of IPO proceeds set out above.

Management Discussion and Analysis

Based on the Directors' best estimation and assumption of future market conditions, the unutilised IPO Proceeds are expected to be fully utilised by 31 December 2027.

The Directors expect that the use of IPO Proceeds can bring further improvements to the Group's overall business performance.

The Directors will constantly evaluate the Group's business strategies and specific needs from time to time. Further announcement will be made if there are any additional changes on the use of proceeds as and when appropriate.

The business objectives, future plans and planned use of proceeds as stated above were based on the best estimation and assumption of future market conditions made by the Group while the proceeds might be applied based on the actual development of the Group's business and the industry.

USE OF PROCEEDS FROM PLACING AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS FROM PLACING

Use of proceeds from Placing

Reference is made to the Company's announcements dated 18 November 2025 and 25 November 2025 (collectively, the "Placing Announcements") and the annual results announcement of the Company dated 26 March 2026 (the "2025 Annual Results Announcement") in relation to, among other things, the placement of 28,424,000 shares at the Placing Price of HK\$3.80 per Placing Share and the update on the expected timeline for the utilisation of the proceeds from the Placing. The closing price of the Shares as quoted on the Stock Exchange on 17 November 2025, being the last trading day immediately prior to the date on which the terms of the Placing were fixed, was HK\$4.69 per Share.

The total gross proceeds from the Placing amounted to approximately HK\$108.0 million and the net proceeds (after deducting all commission and estimated fees, costs and expenses including without limitation, the Placing Agent's commission, the Stock Exchange trading fee, the SFC transaction levy and the AFRC transaction levy) from the Placing amounted to be approximately HK\$106.3 million (equivalent to approximately US\$13.7 million).

On 26 March 2026, the Board resolved to extend the expected timeline for the utilisation of the proceeds from Placing as disclosed in the 2025 Annual Results Announcement, for the reasons set out in the paragraph headed "Reasons for extending the expected timeline for use of Proceeds from Placing" below.

Management Discussion and Analysis

The proposed change is to extend the expected timeline for the full utilisation of the proceeds from Placing in relation to (i) the development of AIoT technologies and products and (ii) the development and integration of core personal healthcare management products through inhouse development, outsourced development and strategic collaborations (the “Development Projects”). The table below sets forth the allocation and utilisation status of the proceeds from Placing during the six months ended 30 June 2026, together with the original expected timeline disclosed in the Placing Announcements, the updated expected timeline disclosed in the 2025 Annual Results Announcement and the further updated expected timeline as at 30 June 2026:

Intended usage	Development plan	Planned use of Placement proceeds (HK\$' million)	Planned use of Placement proceeds (US\$' million)	Unutilised Placement Proceeds	Proceeds utilised during the six months ended 30 June 2026 (US\$' million)	Utilised Placement proceeds up to 30 June 2026 (US\$' million)	Unutilised as at 30 June 2026 (US\$' million)	Expected timeline as disclosed in the Placing Announcements	Updated expected timeline as disclosed in the 2025 Annual Results Announcement	Further updated expected timeline as at 30 June 2026
				as at beginning of the financial year i.e. 1 January 2026						
Development of AIoT technologies (leveraging its existing expertise in IoT technology) and products, which are built upon an AI-powered platform supported by the personal health agent, an interactive digital twin application that can be connected with multiple personal healthcare devices and enable data interaction. By collecting, analysing and monitoring personal healthcare data and projecting a digital image of the user based on such data, the personal health agent can track real-time updates to the user's health condition and provide healthcare related analysis and advice via devices or cloud platforms. We aim to achieve the above through measures including but not limited to the establishment of joint ventures and contractual relationships with core partners (such as experts, research institutions and technology partners).	Milestone 1	15.95	2.05	2.05	0.22	0.22	1.83	By 31 March 2026	By 31 July 2026	By 31 March 2027
	To complete the preliminary planning and setup of a structured pathology-centric medical knowledge base with secure pipelines for collecting, annotating and labeling multimodal health data and the development of an agentic framework that bridges device data, medical knowledge and user intent									
	Milestone 2	37.21	4.79	4.79	0.03	0.03	4.76	By 30 August 2026	By 30 November 2026	By 30 June 2027
	To develop the first full prototype of the Personal Health Agent and integrate user interaction, real-time monitoring and personalized coaching functions									

Management Discussion and Analysis

Intended usage	Development plan	Planned use of Placement proceeds (HK\$' million)	Planned use of Placement proceeds (US\$' million)	Unutilised Placement Proceeds as at beginning of the financial year i.e. 1 January 2026	Proceeds utilised during the six months ended 30 June 2026 US\$' million	Utilised Placement proceeds up to 30 June 2026 US\$' million	Unutilised as at 30 June 2026 US\$' million	Expected timeline as disclosed in the Placing Announcements	Updated expected timeline as disclosed in the 2025 Annual Results Announcement	Further updated expected timeline as at 30 June 2026
Development and integration of core personal healthcare management products (including but not limited to digital interactive health gadgets and health devices in home healthcare scenarios such as health monitoring rings and smart medicine boxes etc.) through in-house development, outsourced development and strategic collaborations	Milestone 1 To complete the selection and preliminary validation of key components, establish low-power reference designs and lightweight embedded operating systems and define secure hardware-software interfaces for personal healthcare management products	10.63	1.37	1.37	0.21	0.21	1.16	By 31 March 2026	By 31 July 2026	By 31 March 2027
	Milestone 2 To deliver the first integrated beta hardware prototype of personal healthcare devices in both wearable and home hub forms and complete preliminary safety testing and basic regulatory preparatory work appropriate for consumer healthcare products	10.63	1.37	1.37	0.00	0.00	1.37	By 30 August 2026	By 30 November 2026	By 31 June 2027
	Strategic collaboration with industry and cross industry partners To engage in strategic collaborations to support the application of healthcare-related technologies, business development and the optimization of procurement, manufacturing and production channels	15.95	2.05	2.05	0.09	0.09	1.96	By 30 November 2026	By 30 November 2026	By 30 June 2027
Engagement of consulting service providers	To engage external consulting service providers to conduct industry research, business analysis, compliance management and to build business resource connections in the healthcare domain	5.32	0.68	0.68	0.12	0.12	0.56	By 30 November 2026	By 30 November 2026	By 30 June 2027

Management Discussion and Analysis

Intended usage	Development plan	Unutilised Placement Proceeds			Proceeds utilised during the six months ended 30 June 2026	Utilised Placement proceeds up to 30 June 2026	Unutilised as at 30 June 2026	Expected timeline as disclosed in the Placing Announcements	Updated expected timeline as disclosed in the 2025 Annual Results Announcement	Further updated expected timeline as at 30 June 2026
		Planned use of Placement proceeds (HK\$' million)	Planned use of Placement proceeds (US\$' million)	as at beginning of the financial year i.e. 1 January 2026						
Staff costs for Orbiva's business development (including salary, bonus and other incentives) for an initial team of 5–10 employees		7.44	0.96	0.96	0.41	0.41	0.55	By 30 November 2026	By 30 November 2026	By 30 November 2026
Office rent and other operating expenses and staff accommodation costs		2.13	0.27	0.27	0.09	0.09	0.18	By 30 November 2026	By 30 November 2026	By 30 November 2026
Professional fees (including fees for engaging external company secretary, legal counsel and financial service providers) and other administrative expenses		1.06	0.14	0.14	0.06	0.06	0.08	By 30 November 2026	By 30 November 2026	By 30 November 2026
		106.32	13.68	13.68	1.23	1.23	12.45			

Note: For illustrative purposes only, an exchange rate of HK\$7.77 to US\$1.00 has been adopted for the calculation of the planned use of Placement proceeds set out above.

Reasons for further extension of the expected timeline for use of proceeds from Placing

During the period, the Company continued to undertake preparatory, evaluation and coordination work in connection with the Development Projects, including the refinement of the relevant development plans, as well as discussions with relevant business partners on project scope and implementation arrangements.

The further extension of the expected timeline for the utilisation of the proceeds from the Placing is primarily attributable to (i) the additional time required for the Company to further assess and refine the development scope and implementation approach of the Development Projects, having regard to their latest progress and prevailing market conditions; (ii) the longer-than-anticipated time required for ongoing coordination and discussions with relevant business partners and the formulation of appropriate implementation arrangements, taking into account various commercial and practical considerations; and (iii) the Company's continued prudent approach to committing resources to the Development Projects, with a view to ensuring that the proceeds from the Placing are deployed in an appropriate and orderly manner.

Management Discussion and Analysis

In light of the above, the Board considers it appropriate to extend the timeline, so as to allow the Group additional time to continue advancing the relevant Development Projects and to utilise the proceeds from Placing in a prudent and orderly manner.

The Board is of the view that the extension of the expected timeline will not have any material adverse impact on the existing business and operations of the Group and is in the interest of the Company and its Shareholders as a whole. Save as disclosed in this report, there are no other changes to the expected timeline for use of proceeds from Placing.

The expected timeline of full utilization of the unutilized Placement proceeds above is based on the Group's projected estimation and is subject to change based on the future development of market conditions.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above, no other important events affecting the Company and its subsidiaries that require additional disclosures or adjustments occurred after the six months ended 30 June 2026 and up to the date of this report.

Corporate Governance and Other Information

CORPORATE GOVERNANCE CODE

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders.

The Company has adopted a corporate governance policy with provisions no less exacting than the Corporate Governance Code and complied with all the applicable code provisions set out in the Corporate Governance Code throughout the six months ended 30 June 2026 except for the deviations from code provisions C.2.1 and D.1.2 of the Corporate Governance Code.

As disclosed in the announcement of the Company dated 30 December 2025, Mr. Perrot has tendered his resignation as a non-executive Director and ceased to act as the chairman of the Board with effect from 29 December 2025. Following the resignation of Mr. Perrot, the position of the chairman of the Board remains vacant until the Company appoints a suitable successor. The Company has a sound governance structure, and material matters relating to the Group continue to be considered and decided collectively by the Board. Accordingly, notwithstanding the vacancy in the position of chairman of the Board, the Board considers that it has continued to operate normally and discharge its responsibilities, and that the business operations of the Group have continued in an orderly manner.

In order to comply with code provision C.2.1 of the Corporate Governance Code, the Company is in the process of identifying a suitable candidate to fill the vacancy of the chairman of the Board, and further announcement will be made as and when appropriate in accordance with the Listing Rules.

Corporate Governance and Other Information

During the six months ended 30 June 2026, the Company deviated from code provision D.1.2 of the Corporate Governance Code in respect of the provision of monthly updates to all Directors. Under the previous reporting arrangement, which was adopted following the Board's request that formal financial reports be circulated on a quarterly basis, the Company circulated financial reports to the Directors in March and June 2026. However, monthly financial and operational updates for January, February, April and May 2026 were not circulated at the relevant time. The Company has since, subsequently, circulated the omitted monthly updates to all Directors and has adopted a revised reporting practice under which monthly financial and operational updates will be provided to all Directors on an ongoing basis from July 2026 (inclusive). The Board considers that these remedial measures will facilitate the Directors' timely assessment of the Group's financial and operating performance, position and prospects and assist the Directors in discharging their duties.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

INTERIM DIVIDEND

The Board did not recommend to declare any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the model code for securities transactions by directors of the listed issuer as set out in Appendix C3 of the Listing Rules (the "Model Code") as its code of conduct regarding securities transactions by the Directors and relevant employees. Upon specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Model Code for the six months ended 30 June 2026.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

As at 30 June 2026, there was no loan agreement of the Company with covenants relating to specific performance of the controlling shareholder of the Company.

LOAN ARRANGEMENTS GRANTED TO ENTITIES

For the six months ended 30 June 2026, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

Corporate Governance and Other Information

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

For the six months ended 30 June 2026, there was no pledge of Shares by the controlling shareholder of the Company.

BREACH OF LOAN AGREEMENTS

For the six months ended 30 June 2026, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

For the six months ended 30 June 2026, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure.

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

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

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 20 August 2020 (the "Adoption Date").

Any full-time employee, Director or senior management of the Company or other members of the Group are eligible to participate in the Share Award Scheme.

The purpose of the Share Award Scheme is to (i) align the interests of eligible participants directly to those of the Shareholders through ownership of Shares; (ii) recognize the contributions made by the selected grantees (the "Selected Grantees") and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (iii) attract high-calibre employees for further development of the Group. Subject to any early termination as may be determined by the Board in accordance with the terms of the Share Award Scheme, the Share Award Scheme shall be effective for ten (10) years commencing from the Adoption Date. As at the date of this report, the remaining life of the Share Award Scheme was approximately three years and eleven months.

The Board shall not make any further award under the Share Award Scheme which will result in the number of Shares awarded by the Board thereunder representing in excess of 1.5% of the total issued Shares as at the Adoption Date or result in a breach of the public float of the Company falling below the minimum level required in the Listing Rules upon issuance of the Awarded Shares. On the basis of a total of 501,633,663 Shares in issue as at the Adoption Date, the maximum number of Shares permitted to be issued under the Share Award Scheme is 7,524,504 Shares, which represents approximately (but not more than) 1.50% of the total issued Shares as at the Adoption Date and represents approximately 1.41% of the total issued Shares as at the date of this report.

Corporate Governance and Other Information

On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 award shares (the “Award Shares”), representing approximately 1.00% of the total issued Shares as at the date of the grant, at nil consideration under the Share Award Scheme of which (a) 2,382,760 Award Shares are granted to four connected Selected Grantees (being Mr. Perrot, the then executive Director, and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) by way of the proposed allotment and issue of new Shares pursuant to specific mandate; and (b) not more than 2,633,577 Award Shares are granted to six non-connected Selected Grantees by way of the proposed allotment and issue of new Shares pursuant to general mandate.

Pursuant to the Share Award Scheme, no amount is payable on application or acceptance of the Award Shares and no purchase price is payable for the Award Shares awarded, which is determined by the Board in its absolute discretion after taking into account that the purposes of the Share Award Scheme, as detailed above, are to incentivize and retain Selected Grantees, and attract talents to join the Group. As such, for those Award Shares awarded pursuant to the rules of the Share Award Scheme, the purchase price for Award Shares under the Share Award Scheme is nil.

At the extraordinary general meeting of the Company held on 12 November 2020, ordinary resolutions were passed in relation to the grant of Award Shares to the connected Selected Grantees and the grant of specific mandate to the Directors regarding the allotment and issue of 2,382,760 Award Shares to the connected Selected Grantees.

50% of the total Award Shares shall be vested on the second anniversary of the date of grant; and 50% of the total Award Shares shall be vested on the third anniversary of the date of grant. There is no other performance target required except the eligible participant remains as an employee of the Group during the vesting period.

On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2020 pursuant to the Share Award Scheme.

On 5 October 2023, 2,508,171 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,171 new Shares, representing approximately 0.50% of the total issued Shares as enlarged by such allotment and issue, to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2020 pursuant to the Share Award Scheme. As at 31 December 2023, a total of 5,016,337 Shares have been allotted and issued to the ten Selected Grantees pursuant to the Share Award Scheme.

As at 1 January 2026, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. During the six months ended 30 June 2026, no Share Awards were granted, and accordingly as at 30 June 2026, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. As at the date of this report, the total number of Shares available for issue under the Share Award Scheme is 2,508,167 Shares (representing approximately 0.5% of the total issued Shares as at the date of this report), of which 2,508,167 Shares are available for issue in case of further grant of 2,508,167 Share Awards (representing approximately 0.5% of the total issued Shares as at the date of this report). There is no maximum entitlement for each eligible participant under the rules of the Share Award Scheme and as at the date of this report, no Selected Grantee has been granted Award Shares exceeding 1% of the issued share capital of the Company.

Corporate Governance and Other Information

As at 30 June 2026, all 5,016,337 Award Shares granted under the Share Award Scheme have been vested (prior to the six months ended 30 June 2026) and no new Share Awards have been granted (and accordingly no Award Shares have been vested) during the six months ended 30 June 2026. Accordingly, no Award Shares remain outstanding and unvested as at 30 June 2026. There was also no cancellation, forfeiture, expiration or lapse of Award Shares during the six months ended 30 June 2026. Details of the relevant Selected Grantees under the Share Award Scheme are as follows:

Name of Grantees	Relationship with the Group	Date of Grant	Number of Award Shares				Outstanding as at 30 June 2026
			Outstanding as at 1 January 2026	Granted during the period	Vested during the period	Cancelled/ lapsed during the period	
Alain PERROT (<i>resigned with effect from 29 December 2025</i>)	Former Chairman of the Board, Former Non-Executive Director	5 October 2020	–	–	–	–	–
Jean Paul L. ABRAMS	Director of a subsidiary of the Company	5 October 2020	–	–	–	–	–
Guat Beng NG (黃月明)	Director of certain subsidiaries of the Company	5 October 2020	–	–	–	–	–
Yuechun ZHU (朱閔春) (<i>resigned with effect from 30 September 2024</i>)	Former Director of certain subsidiaries of the Company	5 October 2020	–	–	–	–	–
Six non-connected Selected Grantees ^(Note)	Full-time employees of the Group	5 October 2020	–	–	–	–	–
Total			–	–	–	–	–

Corporate Governance and Other Information

Notes:

- 1) Kwok Hoong SIU was appointed as Chief Executive Officer with effect from 1 April 2024.
- 2) One of the Selected Grantees has resigned with effect from 31 October 2024.
- 3) Barry Cheng was appointed as director of certain subsidiaries of the Group with effect from 18 September 2024.

For further details of the Share Award Scheme, please refer to the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

CHANGE IN THE DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

During the reporting period, the change in Directors' information (if any) as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- Mr. Yi Chung CHEN (陳一中) ("Mr. Chen") has been the non-executive and non-independent director of H2G Green Limited (a company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, Stock Code: 5AI.SI) since 10 June 2026.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and 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")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares or underlying Shares ^(Note 1)	Approximate percentage of interest in the Company ^(Note 1)
Haofang YANG	Founder of a discretionary trust who can influence how the trustee exercises his discretion	375,202,000 (L) ^(Note 2)	70.12%
Kwok Hoong SIU	Beneficial owner	501,634 (L)	0.09%
Yi Chung CHEN	Beneficial owner	362,000 (L)	0.07%

Notes:

- As at 30 June 2026, the Company issued 535,074,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.
- As at 30 June 2026, Meta-Wisdom Tech Limited was beneficially owned as to 99% by O-sycamore Holdings Limited, which was in turn wholly-owned by the Thomethan Settlement. Mr. Yang and Trident Trust Company (HK) Limited are the settlor and the trustee of the Thomethan Settlement, respectively. Mr. Yang (as the settlor of Thomethan Settlement), Trident Trust Company (HK) Limited (as the trustee of Thomethan Settlement) and O-sycamore Holdings Limited (which directly held 99% of the issued share capital of Meta-Wisdom Tech Limited) were accordingly deemed to be interested in the 375,202,000 Shares held by Meta-Wisdom Tech Limited as at 30 June 2026, under Part XV of the SFO.

Corporate Governance and Other Information

(ii) Interest in associated corporation

Name of Director	Name of associated corporation	Nature of Interest	Number of shares interested ^(Note 1)	Approximate percentage of interest in the associated corporation
Kwok Hoong SIU	Omni Remotes do Brasil Ltda	Beneficial owner	100	1%

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, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 30 June 2026, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, were as follows:

Name of Shareholders	Nature of interest	Number of Shares or underlying Shares ^(Note 1)	Approximate percentage of shareholding ^(Note 1)
Trident Trust Company (HK) Limited	Trustee	375,202,000 (L) ^(Note 2)	70.12%
O-sycamore Holdings Limited	Interest of controlled corporation	375,202,000 (L) ^(Note 2)	70.12%
Meta-Wisdom Tech Limited	Beneficial owner	375,202,000 (L) ^(Note 2)	70.12%

Corporate Governance and Other Information

Notes:

1. As at 30 June 2026, the Company issued 535,074,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.
2. As at 30 June 2026, Meta-Wisdom Tech Limited was beneficially owned as to 99% by O-sycamore Holdings Limited, which was in turn wholly-owned by the Thomethan Settlement. Mr. Yang and Trident Trust Company (HK) Limited are the settlor and the trustee of the Thomethan Settlement, respectively. Mr. Yang (as the settlor of Thomethan Settlement), Trident Trust Company (HK) Limited (as the trustee of Thomethan Settlement) and O-sycamore Holdings Limited (which directly held 99% of the issued share capital of Meta-Wisdom Tech Limited) were accordingly deemed to be interested in the 375,202,000 Shares held by Meta-Wisdom Tech Limited as at 30 June 2026, under Part XV of the SFO.
3. Pursuant to section 336 of the SFO, if certain conditions are met, the Shareholders are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 30 June 2026, the Directors are not aware of any other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

REVIEW OF FINANCIAL INFORMATION BY THE AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this report, the Audit Committee of the Company consists of the three independent non-executive Directors, namely, Mr. Bernard Eng Chuan LIM (Chairman), Mr. Min YE and Mr. Yi Chung CHEN.

The Audit Committee of the Company has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 and discussed with the management the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters of the Group and this report. The Audit Committee has no disagreement with the accounting treatment adopted by the Company. The unaudited interim financial information of the Group for the six months ended 30 June 2026 has been reviewed by the auditor of the Company in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board.

Review Report of Interim Financial Information

Report on Review of Interim Financial Information

To the Board of Directors of Home Control International Limited

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 34 to 60, which comprises the interim condensed consolidated statement of financial position of Home Control International Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2026 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review Report of Interim Financial Information

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers LLP

Public Accountants and Chartered Accountants

Singapore, 21 August 2026

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Notes	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Revenue	6	47,544	59,564
Cost of Sales	8	(33,456)	(41,872)
Gross Profit		14,088	17,692
Other Income	6	39	47
Selling and distribution expenses	8	(3,789)	(3,927)
Administrative expenses	8	(6,272)	(5,791)
Other expenses	8	(1,158)	(1,377)
Finance costs – net	7	(27)	(211)
Profit before tax		2,881	6,433
Income tax expense	9	(791)	(1,399)
Profit for the period and attributable to owners of the Company		2,090	5,034
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(51)	(44)
Other comprehensive loss		(51)	(44)
Total comprehensive income for the period and attributable to owners of the Company		2,039	4,990
Earnings per share for profit attributable to owners of the company:			
Basic	19	US 0.39 cents	US 0.99 cents
Diluted	19	US 0.39 cents	US 0.99 cents

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

		30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
	Notes		
ASSETS			
Non-current asset			
Property, plant and equipment and right-of-use assets	10	2,212	1,718
Other intangible assets		10	56
Goodwill	11	8,877	8,877
Deferred tax assets		208	293
Total non-current assets		11,307	10,944
Current assets			
Financial asset at amortised cost	12	–	–
Inventories		11,739	10,054
Trade receivables	13	26,123	23,764
Prepayments and other receivables	14	1,092	912
Cash and cash equivalents	15	31,722	32,735
Total current assets		70,676	67,465
Total assets		81,983	78,409
LIABILITIES			
Current liabilities			
Trade payables	16	27,034	24,023
Other payables and accruals	17	8,994	6,868
Advance received from customers		–	1
Lease liabilities		330	266
Provisions		–	7
Tax payable		1,314	1,776
Total current liabilities		37,672	32,941
Net current assets		33,004	34,524
Total assets less current liabilities		44,311	45,468

Interim Condensed Consolidated Statement of Financial Position

30 June 2026

		30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
	Notes		
Non-current liabilities			
Other payables and accruals		63	59
Lease liabilities		542	155
Provisions		235	267
Deferred tax liabilities		138	121
Total non-current liabilities		978	602
Net assets		43,333	44,866
EQUITY			
Share capital	18	5,351	5,351
Reserves		37,982	39,515
Total equity		43,333	44,866

The interim condensed consolidated financial information on pages 34 to 60 were approved for issue by the Board of Directors on 21 August 2026 and were signed on its behalf.

Haofang Yang

Director

Kwok Hoong Siu

Director

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Share capital US\$'000	Share premium* US\$'000	Statutory reserve* US\$'000	Retained profits* US\$'000	Exchange fluctuation reserve* US\$'000	Capital reserve* US\$'000	Total US\$'000
At 1 January 2026	5,351	20,118	47	15,983	(253)	3,620	44,866
Profit for the year	–	–	–	2,090			2,090
Other comprehensive income for the year: Exchange differences related to foreign operations					(51)	–	(51)
Total comprehensive income for the year	–	–	–	2,090	(51)	–	2,039
Dividends declared (Note 22)	–	–	–	(3,572)			(3,572)
At 30 June 2026	5,351	20,118	47	14,501	(304)	3,620	43,333
At 1 January 2025	5,067	8,013	47	8,879	(453)	3,620	25,173
Profit for the year	–	–	–	5,034	–	–	5,034
Other comprehensive income for the year: Exchange differences related to foreign operations	–	–	–	–	(44)	–	(44)
Total comprehensive income for the year	–	–	–	5,034	(44)	–	4,990
Dividends declared (Note 22)	–	–	–	(1,265)	–	–	(1,265)
At 30 June 2025	5,067	8,013	47	12,648	(497)	3,620	28,898

* These reserve accounts comprise the consolidated reserves of US\$38,023,000 (2025: US\$23,829,000) in the consolidated statement of financial position as at 30 June 2026.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Notes	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Cash flows from operating activities			
Profit before tax		2,881	6,433
Adjustments for:			
– Depreciation of property, plant and equipment	8	439	587
– Depreciation of right-of-use assets	8	269	201
– Amortisation of other intangible assets	8	4	6
– Amortisation of loan arrangement fee and facility fee	7	–	79
– Loss on disposal of property, plant and equipment	8	3	7
– Loss on disposal of intangible assets		43	–
– Interest expenses	7	27	132
– Interest income from bank deposits		(27)	(32)
– Allowance for inventories		230	88
– Effect of exchange rate changes		(213)	47
		3,656	7,548
Change in working capital:			
– (Increase)/Decrease in inventories		(1,919)	837
– Increase in trade receivables		(2,256)	(6,933)
– Increase in prepayment and other receivables		(187)	(194)
– Increase in trade payables		3,039	1,075
– (Decrease)/Increase in other payables and accruals		(1,438)	160
– Decrease in payment from customers		(1)	(8)
– (Decrease)/Increase in provisions		(39)	5
Cash generated from operating activities		855	2,490
Net income tax paid		(1,151)	(832)
Net cash (used in)/generated from operating activities		(296)	1,658
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(1,201)	(708)
Interest received		27	32
Net cash used in investing activities		(1,174)	(676)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

		2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
	Notes		
Cash flows from financing activities			
Repayment of interest-bearing bank loans		–	(6,250)
Principal portion of lease payments		451	37
Interest portion of lease liabilities		(27)	(19)
Interest paid		–	(113)
Net cash generated from/(used in) financing activities		424	(6,345)
Net decrease in cash and cash equivalents		(1,046)	(5,363)
Cash and cash equivalents at beginning of period		32,735	19,443
Effects of exchange rate changes on cash and cash equivalents		33	393
Cash and cash equivalents at end of period	15	31,722	14,473

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205 Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the provision of solutions for sensing and control technologies marketed in the smart home automation, consumer electronics and set-top-box segments.

The Shares of the Company have been listed on the Main Board of the Stock Exchange since the listing date on 14 November 2019.

The immediate holding company of the Company is Meta-Wisdom Tech Limited, a company incorporated in the British Virgin Islands.

This interim condensed consolidated financial information is presented in thousands of United States Dollars ("US\$'000"), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Board on 21 August 2026.

This interim condensed consolidated financial information has not been audited.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025, which has been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The preparation of the interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. In preparing this unaudited interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

Taxes on income for the six-month periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

The interim condensed consolidated financial information has been prepared under the historical cost convention.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the new standards and amendments to its existing standards which are relevant to the Group’s operations and are applicable to the Group’s accounting periods beginning on 1 January 2026. The Group has adopted all the new and revised standards, amendments and interpretations that are relevant to the Group’s operations and mandatory for annual period beginning 1 January 2026. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group’s current and prior years’ results or financial position.

The Group has adopted the following revised IFRSs for the first time for annual period beginning 1 January 2026

Amendments to IFRS 9 and IFRS 7	<i>Classification and Measurement of Financial Instruments</i>
Annual improvements to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS7	<i>Annual improvements to IFRS Accounting Standards – Volume 11</i>

Standards and amendments which are not yet effective and not early adopted

IFRS 18 ⁽¹⁾	<i>Presentation and Disclosure in Financial Statements</i>
IFRS 19 ⁽¹⁾	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments to IFRS 10 and IAS 28 ⁽²⁾	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2027
⁽²⁾ Effective date to be determined

The Group is assessing the full impact of these new and amended standards, interpretation and accounting guideline. Some of them may give rise to change in presentation, disclosure and measurements of certain items on the Group’s results of operations and financial position, but the impacts are not expected to be significant.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

4. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has determined that the carrying amounts of cash and cash equivalents, trade receivables, financial assets included in prepayments and other receivables, trade payables, financial liabilities included in other payables and accruals, reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

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.

5. OPERATING SEGMENT INFORMATION

An operating segment, in part, is a component of an enterprise whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance. Operating segments may be aggregated only to a limited extent. Management reviews the financial information about revenues and operating results as a whole for purpose of making operating decisions and assessing financial performance. Accordingly, the Group only has a single operating and reportable segment. Therefore, no further information about the operating segment is presented other than the entity-wide disclosures.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

5. OPERATING SEGMENT INFORMATION (Continued)

Entity-wide Disclosures

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
North America	7,401	17,605
Europe	21,070	26,018
Asia	13,681	12,868
Latin America	5,392	3,073
	47,544	59,564

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

(b) Non-current assets

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
North America	6	11
Europe	188	240
Asia	2,028	1,523
	2,222	1,774

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

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

5. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the six months ended 30 June 2026 and 2025 is set out below:

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Customer 1	11,211	9,624
Customer 2	10,178	9,775
Customer 3	N/A*	12,510

* The corresponding revenue from the customer was not disclosed as the revenue did not individually account for 10% or more of the Group's revenue for the six month ended 30 June 2026.

6. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of goods		
– Control Solutions	35,616	47,742
– Healthcare accessories	11,835	11,725
Royalty income	93	97
	47,544	59,564

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Timing of revenue recognition		
At a point in time		
– Sale of goods	47,451	59,467
Over time		
– Royalty income	93	97
Total revenue from contracts with customers	47,544	59,564

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon passage of control of goods.

Payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Royalty income

The performance obligation is satisfied over time based on each licensed product manufactured by the licensee.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Royalty income (Continued)

An analysis of other income is as follows:

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Government grants (Note (a))	2	–
Interest income	27	32
Others	10	15
	39	47

(a) The government grants for the six months ended 30 June 2026 comprised subsidies received from the local governments to support the business operation of the entities. There are no unfulfilled conditions or contingencies relating to these grants.

7. FINANCE COSTS – NET

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Interests on:		
– Bank borrowings	–	113
– Lease liabilities	27	19
Amortisation of loan arrangement fee, facility and legal fee	–	79
	27	211

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

8. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Cost of inventories sold	28,625	35,969
Allowance for inventories	230	88
Outsourcing costs	3,688	4,881
Depreciation of property, plant and equipment	439	587
Depreciation of right-of-use assets	269	201
Loss on disposal of property, plant and equipment	3	7
Amortisation of other intangible assets	4	6
Distribution costs	678	674
Foreign exchange differences, net	141	(38)
Auditor's remuneration		
– Audit service	78	75
– Non-audit services	29	22
Legal fees	391	1,092
Consultancy fee	818	368
Restructuring and severance costs	18	10
Expenses for short term leases	10	7
Expenses for low value leases	–	1
Employee benefits expense		
– <i>Wage and salaries</i>	4,681	5,344
– <i>Pension scheme contributions</i>	1,119	1,022
– <i>Long service awards</i>	17	5
– <i>Other employee benefits</i>	151	115

During the six months ended 30 June 2026, the Group incurred expenses for the purpose of research and development of US\$2,160,000 (2025: US\$2,251,000), which comprised employee benefits expenses of US\$1,867,000 (2025: US\$2,014,000).

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

9. INCOME TAXES

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

Pursuant to the rules and regulations of the Cayman Islands, the Company and HCIL Master Option Limited are not subject to any income tax in this jurisdiction.

The Singapore statutory income tax for Home Control Singapore Pte. Ltd. has been provided at the rate of 17% (2025: 17%) on the estimated assessable profits arising in Singapore during the reporting period.

The federal tax for Premium Home Control Solutions LLC has been provided at the rate of 21% (2025: 21%), and the state tax has been provided at the rate of 2% (2025: 4%) on the estimated assessable profits arising in the United States of America during the reporting period.

The accrual for Mainland China income tax has been recognised at the applicable income tax rate of 25% (2025: 25%) on the estimated assessable profits of the PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law. Home Control Solutions (Suzhou) Limited was qualified as a Small and Low-profit Enterprise and was subject to a preferential income tax rate of 5% (2025: 5%) until 31 December 2027. During the six months ended 30 June 2026, HCS (Suzhou) Limited qualified as a Technologically-advanced Service Enterprise and was subject to a preferential income tax rate of 5% (2025: 5%).

The corporate income tax rate for Home Control Europe NV has been provided at the rate of 25% (2025: 25%) on the estimated assessable profits arising in Belgium during the reporting period.

The corporate income tax rate for Omni Remotes do Brasil Ltda has been provided at the rate of 24% (2025: 24%) on the estimated assessable profits arising in Brazil during the reporting period.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

9. INCOME TAXES (Continued)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are as follows:

	For the six months ended 30 June	
	2026 US\$'000 (Unaudited)	2025 US\$'000 (Unaudited)
Current tax – Singapore		
Charge for the period	624	1,366
Over accrual in prior periods	–	(32)
Current tax – United States of America		
Charge for the period	47	39
Current tax – China and elsewhere		
Charge for the period	18	33
	689	1,406
Deferred tax		
Charge/(credit) for the year	102	(7)
Total tax expense for the period	791	1,399

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable statutory rates to the effective tax rates, are as follows:

	For the six months ended 30 June			
	2026 US\$'000 (Unaudited)	%	2025 US\$'000 (Unaudited)	%
Profit before tax	2,881	–	6,433	–
Tax at domestic rates applicable to profits in the countries where the group operates	751	26.1	1,357	21.1
Effect of partial tax exemption and enhanced deductions	(25)	(0.9)	(20)	(0.3)
Expenses not deductible for tax	65	2.3	94	1.5
Over provision in respect of prior years	–	–	(32)	(0.5)
Income tax expenses at the Group's effective rate	791	27.5	1,399	21.7

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment					Right-of-use assets				
	Furniture and fittings	Specific tools	Machinery and equipment	Construction-in-progress	Sub-total	Re-instatement	Office premises	Motor vehicles	Sub-total	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost										
At 31 December 2024 and										
1 January 2025 (Audited)	-	16,083	5,284	328	21,695	93	2,437	258	2,788	24,483
Additions	-	14	165	313	492	-	72	144	216	708
Transfer	-	376	-	(376)	-	-	-	-	-	-
Disposals	-	-	(303)	-	(303)	(66)	-	(133)	(199)	(502)
Exchange differences	-	20	32	-	52	3	40	26	69	121
At 30 June 2025 (Unaudited)	-	16,493	5,178	265	21,936	30	2,549	295	2,874	24,810
Accumulated depreciation										
At 31 December 2024 and										
1 January 2025 (Audited)	-	15,060	4,874	-	19,934	85	2,029	180	2,294	22,228
Charge for the period	-	462	125	-	587	2	162	37	201	788
Disposals	-	-	(301)	-	(301)	(66)	-	(128)	(194)	(495)
Exchange differences	-	17	28	-	45	3	36	8	47	92
At 30 June 2025 (Unaudited)	-	15,539	4,726	-	20,265	24	2,227	97	2,348	22,613

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

10. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

	Property, plant and equipment					Right-of-use assets				
	Furniture and fittings	Specific tools	Machinery and equipment	Construction-in-progress	Sub-total	Re-instatement	Office premises	Motor vehicles	Sub-total	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost										
At 31 December 2025 and 1 January 2026 (Audited)	-	15,809	5,092	329	21,230	27	2,690	297	3,014	24,244
Additions	-	2	17	502	521	31	638	-	669	1,190
Modification of lease liability	-	-	-	-	-	-	11	-	11	11
Transfer	33	147	50	(231)	(1)	-	-	-	-	(1)
Disposals	-	(5,858)	(164)	-	(6,022)	(4)	-	-	(4)	(6,026)
Exchange differences	-	26	43	-	69	1	51	(4)	48	117
At 30 June 2026 (Unaudited)	33	10,126	5,038	600	15,797	55	3,390	293	3,738	19,535
Accumulated depreciation										
At 31 December 2025 and 1 January 2026 (Audited)	-	15,197	4,728	-	19,925	23	2,441	137	2,601	22,526
Charge for the period	-	335	104	-	439	4	237	28	269	708
Disposals	-	(5,858)	(162)	-	(6,020)	(3)	-	-	(3)	(6,023)
Exchange differences	-	22	38	-	60	1	51	-	52	112
At 30 June 2026 (Unaudited)	-	9,696	4,708	-	14,404	25	2,729	165	2,919	17,323
Net carrying amount										
At 30 June 2025 (Unaudited)	-	954	452	265	1,671	6	322	198	526	2,197
At 31 December 2025 (Audited)	-	612	364	329	1,305	4	249	160	413	1,718
At 30 June 2026 (Unaudited)	33	430	330	600	1,393	30	661	128	819	2,212

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

11. GOODWILL

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Cost and net carrying amount	8,877	8,877

As at 30 June 2026, no impairment charge has been recorded against goodwill (30 June 2025: no impairment charge).

12. FINANCIAL ASSETS AT AMORTISED COSTS

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Investment, at cost	3,437	3,437
Provision for impairment loss	(3,437)	(3,437)
	—	—

The above investments were treasury management principal protected products issued by a financial intermediary. The investment is denominated in Hong Kong Dollar. The investment matures initially 1.5 years from inception, and will be rolled over automatically unless the parties mutually agree to terminate it. The financial intermediary has the right to redeem the investments prior to its termination, and the discretion to determine the interest to be compensated.

These investments are classified as financial assets at amortised cost as their contractual cash flows are solely payments of principal and interest.

The financial intermediary did not agree to the Company's redemption of the investment during the financial year ended 31 December 2024 and it was rolled over in May 2024. The Group assesses that there is a significant increase in credit risk since the inception of the investment as there is uncertainty as to when and whether the investment will be redeemed in full.

As at 31 December 2025 and 30 June 2026 the estimated lifetime expected credit loss is assessed to be the carrying value of the investment due to the lack of adequate information to estimate the cash flows that the Company expects to receive from the financial intermediary.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

13. TRADE RECEIVABLES

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Trade receivables	26,354	23,991
Impairment	(231)	(227)
	26,123	23,764

Trade receivables are non-interest bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoice amounts on initial recognition.

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

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
0–90 days	18,354	20,178
91 to 180 days	6,944	2,816
More than 180 days	825	770
	26,123	23,764

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2026 US\$'000 (Unaudited)	30 June 2025 US\$'000 (Unaudited)
At beginning of period	227	215
Impairment loss	4	–
At end of period	231	215

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For the six months ended 30 June 2026

14. PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Other receivables	69	250
Value-added tax recoverable	63	97
Prepayments	960	565
	1,092	912

The Group had applied the general approach to provide for expected credit losses for non-trade other receivables under IFRS 9. For current other receivables, the balances were settled within 12 months and had no historical default.

15. CASH AND CASH EQUIVALENTS

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Cash and cash equivalents	31,722	32,735
Denominated in:		
US\$	14,352	13,634
Euro	169	1,911
Singapore Dollar	357	434
RMB	2,759	1,122
British Pound Sterling	1,022	1,522
Hong Kong Dollar	12,904	13,852
Brazilian Real	156	249
Others	3	11
Total	31,722	32,735

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

15. CASH AND CASH EQUIVALENTS (Continued)

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

16. TRADE PAYABLES

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Trade payables	27,034	24,023

An 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 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
0–90 days	17,221	16,172
91 to 180 days	9,549	7,818
More than 180 days	264	33
	27,034	24,023

The trade payables are non-interest-bearing and are normally settled on 90-day credit terms.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

17. OTHER PAYABLES AND ACCRUALS

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Current		
Withholding tax payables	62	70
Payroll and welfare accruals	916	2,221
Other accrued operating expenses	2,427	2,740
Other payables	1,635	1,837
Dividends payable	3,954	–
	8,994	6,868
Non-current		
Payroll and welfare accruals	63	59
	9,057	6,927

18. SHARE CAPITAL

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Authorised: 5,000,000,000 (31 December 2025: 5,000,000,000) ordinary shares of US\$0.01 each	50,000	50,000
Issued and fully paid: 535,074,000 (31 December 2025: 535,074,000) ordinary shares US\$0.01 each	5,351	5,351

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

19. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 535,074,000 (2025: 506,650,000) in issue.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	30 June 2026 US\$'000 (Unaudited)	30 June 2025 US\$'000 (Unaudited)
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	2,090	5,034
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	535,074,000	506,650,000
	535,074,000	506,650,000

Diluted earnings per share for six months ended 30 June 2026 and 2025 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

20. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

Compensation of key management personnel of the Group:

	30 June 2026 US\$'000 (Unaudited)	30 June 2025 US\$'000 (Unaudited)
Short-term employee benefits	600	552
Pension scheme contributions	75	64
Total compensation paid to key management personnel	675	616

Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 June 2026

21. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	30 June 2026 US\$'000 (Unaudited)	31 December 2025 US\$'000 (Audited)
Financial assets		
Trade receivables	26,123	23,764
Other receivables	69	215
Cash and cash equivalents	31,722	32,735
	57,914	56,714
Financial liabilities		
Trade payables	27,034	24,023
Financial liabilities included in other payables and accruals	4,062	4,577
Dividend payable	3,954	–
Lease liabilities	872	421
	35,922	29,021

Notes to Interim Condensed Consolidated Financial Information

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22. DIVIDENDS

The proposed final dividend of US0.66 cents (2024: US0.25 cents) per ordinary share amounting to a total of US\$3,572,000 (2024: US\$1,265,000) in respect of the financial year ended 31 December 2025 was approved by the shareholders during the annual general meeting on 12 June 2026, and was paid on Wednesday, 15 July 2026. No other dividend has been declared by the Company during the six months ended 30 June 2026 and 30 June 2025.

23. EVENTS AFTER THE REPORTING PERIOD

There were no events affecting the Company and its subsidiaries that require additional disclosures or adjustments occurred after the six months ended 30 June 2026.