



SIM Technology

SIM Technology Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code : 2000)



2026
INTERIM REPORT

CHAIRMAN'S STATEMENT

On behalf of the board ("Board") of the directors ("Directors") of SIM Technology Group Limited (the "Company"), I am presenting the interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 ("1H-2026").

BUSINESS REVIEW

Turnover of the Group for 1H-2026 was HK\$190.8 million, representing a decrease of 8.4% as compared with the turnover of HK\$208.2 million for the same period last year. Gross profit amounted to HK\$34.2 million, representing a decrease of 24.4% as compared with the gross profit of HK\$45.3 million for the same period last year. An impairment of HK\$17.6 million was recognised on investment properties during the period, resulting in a loss attributable to owners of the Company of HK\$11.0 million in 1H-2026 (a profit attributable to owners of the Company of HK\$8.8 million was recorded in the same period last year).

The year-on-year decline in turnover was attributable to two main factors: first, the Group still had the final order delivery in the automotive intelligent products business in the same period last year, while operation of that business was ceased this year; and second, revenue from the property leasing business decreased. As for the core operation of the ODM business for intelligent terminals had stable performance, with turnover remaining largely the same as the same period last year.

The significant year-on-year decline in gross profit is primarily due to a severe global shortage of memory chips during the period, which caused an exponential rise in prices, and thus an increase in cost of materials in general.

The Group began to deploy its robotics business last year and it was still in the investment phase. In accordance with the principle of prudence, the Group had not capitalized the related costs; all preliminary R&D and marketing development expenses were instead recognised in profit and loss in the current period.

Affected by market conditions in the property leasing market, both property rental income and expected income have declined. Consequently, further impairment were recognised on two investment properties during the reporting period, which was one of the main reasons for the loss incurred in the current period.

CHAIRMAN'S STATEMENT

ODM business for intelligent terminals

This business generated a turnover of HK\$173.1 million in 1H-2026, remaining largely stable as compared with the turnover of HK\$174.3 million for the same period last year. Gross profit amounted to HK\$19.2 million as compared with HK\$24.7 million for the corresponding period last year, reflecting a significant decline in gross profit margin and resulted in a business loss of HK\$11.0 million during 1H-2026.

With relatively stable turnover, results of the business turned from profit to loss, which was due firstly to the multifold increase in prices of memory chips during the period, which significantly increase product costs. Moreover, the intensified end-user market under an oversupply situation restrained the Group from passing the cost burden to customers to the full extent, resulting in a significant decline in gross profit margin compared with the same period last year. Secondly, the robotics business was still in the investment phase and has not yet commenced mass production and shipment, the associated expenditure had impact on the profit and loss for the period to a certain extent. The management believes that, despite the inevitable impact on profits caused by the investment in the robotics business in a short term, such costs were necessary for the Group as it seeks to venture into a new business sector for long term development. The robotics sector, characterised by rapid technological iteration and limited market window, makes it an urgent case for strategic deployment. At the current stage, the Group has set up preliminary R&D and supporting production infrastructure, secured a portfolio comprising a number of key clients, and achieved small-batch delivery of prototypes for the first project.

The management has also identified the challenges faced by this business. First, the limited scale of operation at the current stage with a severe lack of orders as a whole is unable to cover the team's operating costs. Strengthening its sales capabilities, actively exploring new business opportunities and expanding its order book are essential to fundamentally improving operating performance. Second is on improvement in internal management and cost control, such as refining the management of R&D staff working hours, and digitalisation and intelligentisation of operation and delivery processes.

CHAIRMAN'S STATEMENT

Property management

This business recorded turnover of HK\$17.7 million in 1H-2026, representing a decrease of 15.7% compared with HK\$21.0 million for the same period last year. A segmental loss of HK\$8.9 million was reported for the period (compared with a loss of HK\$2.0 million for the corresponding period last year) due to the impairment of investment properties.

The total lettable area of the Group amounts to approximately 78,000 square meters, including approximately 24,000 square meters attributable to Block A and Block B of SIM Technology Building in Shanghai, and approximately 54,000 square meters attributable to the properties in Shenyang region. The current overall rental performance of properties in Shanghai is relatively stable while improvement in the vacancy rate problem of properties in Shenyang region would be less likely due to local economic environment.

At the end of the reporting period, the valuer conducted valuation of the properties of the Group in the two locations based on forecasts of the property leasing market and the actual circumstances of existing tenancies. Affected by sustained downturn in the overall property leasing market, impairment losses on property have been a main reason for the significant losses incurred from the business in recent years.

Although the trend in the property leasing market is unlikely to be reversed due to the impact imposed by broader economic conditions, the Group will continue to actively market for tenancy, improve utilization of the vacant buildings and factory premises, and steadily develop its property leasing business.

CHAIRMAN'S STATEMENT

Prospects

In the second half of 2026, the rise in the price of memory chips has led to an increase in the prices of various materials such as printed circuit boards and batteries. Together with increasingly fierce price competition within the industry, it is foreseeable that the Group's core business will face greater challenges.

Adhering to the principle of "increasing revenue and reducing expenditure", the Group will upgrade traditional intelligent terminals with AI enabled hardware for the purpose of enhancing product competitiveness. It will strengthen its sales force, fully explore business opportunities in its sub-sectors, and consolidate its existing terminal business. On the other hand, the Group will accelerate robotics team expansion, strengthen R&D capabilities development and establishment of a scalable delivery system. The Group is committed to capitalizing new business opportunities and transforming them into new growth drivers.

Appreciation

The Board would like to thank our shareholders, customers, suppliers, bankers and professional advisers for their support of the Group and to extend our appreciation to all our staff for their dedication and contributions throughout the reporting period.

Wong Cho Tung

Chairman

21 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For 1H-2026, revenue of the Group was HK\$190.8 million (1H-2025: HK\$208.2 million), in which the revenue from ODM business for intelligent terminals and automotive intelligent product business (together, "Core Business") decreased by 7.6% to HK\$173.1 million (1H-2025: HK\$187.2 million) as compared with that of 1H-2025. In 1H-2026, revenue from property management ("Non-core Business") decreased by 15.7% to HK\$17.7 million (1H-2025: HK\$21.0 million) as compared with that for 1H-2025.

Gross profit from the Core Business of the Group for 1H-2026 was HK\$19.2 million (1H-2025: HK\$26.8 million). The gross profit margin for the Core Business was 11.1% (1H-2025: 14.3%) and the gross profit margin for the Non-core Business decreased to 85.0% (1H-2025: 88.1%). The overall gross profit margin of the Group for 1H-2026 decreased to 17.9% (1H-2025: 21.8%).

The Group recorded a loss attributable to owners of the Company of HK\$11.0 million (1H-2025: profit attributable to owners of the Company of HK\$8.8 million). The basic loss per share for 1H-2026 was HK0.5 cent (1H-2025: basic earnings per share HK0.4 cent). The ODM business for intelligent terminals, serving as the core operation of the Group, had a relatively stable performance, with turnover remaining largely unchanged from the same period last year. However, due to the discontinuance of its automotive intelligent products business following the completion of the final order delivery in the first half of 2025, and a decrease in revenue from the leasing business as a result of soft market conditions in the property leasing market, overall turnover of the Group for 1H-2026 declined as compared with the same period of last year.

A severe global shortage of memory chips during 1H-2026 caused an increase in cost of materials in general, and an intensified end-user market restrained the Group from passing the cost burden to customers to the full extent, resulting in a significant year-on-year decline in the gross profit margin of its main businesses. The Group began its expansion into the robotics business last year. As the business has not yet entered the stage of bulk shipment during the reporting period, while the Group had to continue its investment in R&D and market expansion, the associated expenditure had impact on the profit and loss for the period to a certain extent.

The rise in cost of materials and increase in R&D expenditure, together with ongoing impairment on investment properties, resulted in a loss for 1H-2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Results of Core Business

	Six months ended 30 June 2026			Six months ended 30 June 2025		
	Revenue HK\$'M	Gross profit HK\$'M	Gross profit margin %	Revenue HK\$'M	Gross profit HK\$'M	Gross profit margin %
ODM business for intelligent terminals	173.1	19.2	11.1	174.3	24.7	14.2
Automotive intelligent products business	–	–	–	12.9	2.1	16.6
Total	173.1	19.2	11.1	187.2	26.8	14.3

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Liquidity

As at 30 June 2026, the Group had bank balances and cash of HK\$181.7 million (31 December 2025: HK\$430.5 million), of which 34.5% was held in US dollars, 13.0% in Japanese yen, 47.2% in Renminbi and the remaining balance in Hong Kong dollars, and short-term bank deposits of HK\$776.1 million (31 December 2025: HK\$509.7 million), among which 63.7% was held in US dollars and 36.3% in Renminbi. The Group intends to finance its working capital and capital expenditure plans from such bank balances. The total bank borrowings of the Group amounted to HK\$33.0 million as at 30 June 2026 (31 December 2025: HK\$11.1 million), all of which were denominated in RMB. Such borrowings were at floating interest rates and repayable within one year.

Operating efficiency

The respective turnover period of inventory, trade and notes receivables, trade payables of the Group for the Core Business is presented below:

	30 June 2026 Days	31 December 2025 Days
Inventory turnover period	94	65
Trade and notes receivables turnover period	97	105
Trade payables turnover period	140	138

In 1H-2026, in view of the sustained rise in material prices within the industry, the Group implemented the strategy of procuring materials in advance and increasing backup inventory of key materials to mitigate the risk of fluctuations in raw material supply, lock in procurement costs and ensure the stable delivery of customer orders. The materials procured under this strategy were received and held in stock during the period, but production and external sales had not yet been completed. Consequently, the inventory turnover period for 1H-2026 increased as compared with the year of 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

In 1H-2026, the Group continued to implement a relatively prudent customer credit management policy to optimise its accounts receivable collection mechanism, strengthen customer credit assessments and follow-up on payment collections, and impose strict control on the scale of credit sales. Therefore, the turnover period for trade receivables and notes receivable in 1H-2026 decreased slightly as compared with the year of 2025.

The trade payables turnover period remained relatively stable in 1H-2026 and the year of 2025.

As at 30 June 2026, the current ratio, calculated as current assets over current liabilities, was 3.2 times (31 December 2025: 3.2 times).

The Group reckons that inventory turnover period, trade and notes receivables turnover period, and trade payables turnover period help the Group understand its ability to convert inventory into cash and its sales cash conversion cycle. Through reviewing the turnover periods, the Group can improve its operational efficiency. The current ratio can help the Group understand its ability to meet short-term and long-term obligations.

Treasury policies

The Group adopts a prudent approach in its treasury policy. The Group's surplus funds are mainly held under fixed and savings deposits in reputable banks to earn interest income.

Certain sales and purchases of inventories of the Group are denominated in US dollars. Furthermore, certain trade receivables, trade payables and bank balances are denominated in US dollars, thereby exposing the Group to the currency risk of US dollars. During 1H-2026, the Group did not use any financial instrument for hedging purpose but it will consider entering into non-deliverable foreign exchange forward contracts to offset the foreign exchange risks dominated in US dollars when necessary.

Capital structure

As at 30 June 2026, the Company had 2,119,047,300 ordinary shares of HK\$0.10 each in issue and did not hold any treasury share.

No shares of the Company were issued during 1H-2026.

MANAGEMENT DISCUSSION AND ANALYSIS

GEARING RATIO

As at 30 June 2026, the total assets of the Group were HK\$1,962.0 million (31 December 2025: HK\$1,922.0 million) and bank borrowings were HK\$33.0 million (31 December 2025: HK\$11.1 million). The gearing ratio of the Group, calculated as total bank borrowings over total assets, was 1.7% (31 December 2025: 0.6%).

By reviewing its gearing ratio on a regular basis and based on its future capital planning needs, the Group strikes a balance between shareholder return and capital security. It also adjusts its capital structure in response to changes in the operational environment.

EMPLOYEES

As at 30 June 2026, the Group had approximately 602 (31 December 2025: 737) employees. The Group operates a Mandatory Provident Fund retirement benefits scheme for all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC. The Group also offers discretionary bonuses and may grant share options and share awards to its employees under the respective share option scheme and share award scheme adopted or to be adopted by the Company from time to time by reference to individual performance and the performance of the Group. Total staff costs incurred by the Group amounted to HK\$42.8 million in 1H-2026 (1H-2025: HK\$46.1 million).

The Group has a comprehensive training system in place that establishes a network-based career path for employees, including position and ability management, skills enhancement programme, various training opportunities, online learning for staff, internal promotion system, key employees development programme, succession plans for key positions and leadership development programme.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set by the human resources department. The Group seeks to provide remuneration packages on the basis of the merit, qualifications and competence of the employees. The emoluments of the Directors and senior management are reviewed by the remuneration committee of the Board, having regard to

MANAGEMENT DISCUSSION AND ANALYSIS

factors including the Group's operating results, responsibilities of the Directors and senior management and comparable market statistics. The Company had adopted a share option scheme on 1 June 2016 and was expired on 1 June 2026, the primary purpose of which was to motivate the eligible persons referred therein, which included executive Directors and employees of the Group, to optimise their future contributions to the Group and to reward them for their efforts.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During 1H-2026, the Group did not have any future plans for material investments or capital assets.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES OR JOINT VENTURES

During 1H-2026, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENT

As at 30 June 2026, the Group did not have any significant investment.

CONTINGENT LIABILITIES

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

EVENT AFTER THE REPORTING PERIOD

There have been no significant events of the Group occurred since the end of 1H-2026.

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
		HK\$'000	HK\$'000
	NOTES	(Unaudited)	(Unaudited)
Revenue	3	190,759	208,208
Cost of sales and services		(156,533)	(162,925)
Gross profit		34,226	45,283
Other income	5	19,121	17,663
Other gains and losses	5	(23,646)	(9,469)
Reversal of impairment losses under expected credit model, net	12	567	2,604
Research and development expenses		(17,143)	(27,850)
Selling and distribution costs		(8,946)	(7,456)
Administrative expenses		(21,368)	(19,843)
Share of results of associates		726	3,115
Finance costs		(871)	(271)
(Loss) profit before taxation		(17,334)	3,776
Taxation	6	6,086	1,933
(Loss) profit for the period	7	(11,248)	5,709
(Loss) profit for the period attributable to:			
Owners of the Company		(11,027)	8,807
Non-controlling interests		(221)	(3,098)
		(11,248)	5,709
(Loss) earnings per share (HK cents)	9		
Basic		(0.5)	0.4

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
		HK\$'000	HK\$'000
	NOTE	(Unaudited)	(Unaudited)
(Loss) profit for the period	7	(11,248)	5,709
Other comprehensive (expense) income for the period:			
<i>Items that will not be subsequently reclassified to profit or loss during the period:</i>			
Surplus on transfer of right-of-use assets and property, plant and equipment to investment properties at fair value		–	20,206
Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of deferred tax		(7,649)	(2,722)
Deferred tax relating to items that will not be reclassified to profit or loss		1,912	(4,104)
Exchange difference arising on translation to presentation currency		45,417	15,802
Other comprehensive income for the period		39,680	29,182
Total comprehensive income for the period		28,432	34,891
Total comprehensive (expense) income attributable to:			
Owners of the Company		28,653	37,989
Non-controlling interests		(221)	(3,098)
		28,432	34,891

INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

		30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
	NOTES		
Non-current assets			
Investment properties	10	539,845	536,279
Property, plant and equipment	10	17,566	17,827
Right-of-use assets	10	19,011	14,356
Intangible assets	10	109	64
Interests in associates		89,523	85,377
Equity instruments at fair value through other comprehensive income ("FVTOCI")	18	25,055	31,555
		691,109	685,458
Current assets			
Inventories	13	100,112	60,958
Trade and notes receivables	11	86,534	117,837
Other receivables, deposits and prepayments		96,105	90,887
Financial assets at fair value through profit or loss ("FVTPL")	18	14,015	249
Restricted bank deposits		15,955	15,342
Pledged bank deposits		—	11,071
Short-term bank deposits		776,138	509,697
Bank balances and cash		181,677	430,473
		1,270,536	1,236,514

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		30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
	NOTES		
Current liabilities			
Trade payables	14	89,589	87,232
Contract liabilities		110,005	124,160
Deposits from tenants		2,861	2,986
Deferred income		1,168	1,124
Other payables and accruals		69,041	71,168
Bank borrowings	15	32,973	11,071
Lease liabilities		2,377	538
Tax payables		89,634	88,658
		397,648	386,937
Net current assets		872,888	849,577
Total assets less current liabilities		1,563,997	1,535,035
Capital and reserves			
Share capital	16	211,905	211,905
Reserves		1,269,364	1,240,711
Equity attributable to owners of the Company		1,481,269	1,452,616
Non-controlling interests		(12,779)	(12,558)
Total equity		1,468,490	1,440,058
Non-current liabilities			
Deposits from tenants		7,020	6,102
Lease liabilities		2,094	406
Deferred tax liabilities		58,044	62,019
Deferred income		28,349	26,450
		95,507	94,977
		1,563,997	1,535,035

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company											Non-	
	Share capital HK\$'000	Share premium HK\$'000	Statutory surplus reserve HK\$'000 (Note a)	Other reserve HK\$'000 (Note b)	Share option reserve HK\$'000	Properties revaluation reserve HK\$'000	Asset revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Accumulated (loss) profits HK\$'000	Total HK\$'000	controlling interests HK\$'000	Total HK\$'000
At 1 January 2025 (audited)	214,335	733,716	118,498	95,271	-	275,262	15,455	44,222	57,763	(114,536)	1,439,986	(10,070)	1,429,916
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	8,807	8,807	(3,098)	5,709
Other comprehensive income (expense) for the period	-	-	-	-	-	15,421	(2,041)	-	15,802	-	29,182	-	29,182
Total comprehensive income (expense) for the period	-	-	-	-	-	15,421	(2,041)	-	15,802	8,807	37,989	(3,098)	34,891
Withdrawn upon deregistration of a subsidiary	-	-	(546)	-	-	-	-	-	-	546	-	-	-
Withdrawn upon capital reduction of a subsidiary	-	-	(3,618)	-	-	-	-	-	-	3,618	-	-	-
Transfer to statutory surplus reserve	-	-	2,324	-	-	-	-	-	-	(2,324)	-	-	-
At 30 June 2025 (unaudited)	214,335	733,716	116,658	95,271	-	290,683	13,414	44,222	73,565	(103,889)	1,477,975	(12,558)	1,464,807
At 1 January 2026 (audited)	211,905	726,691	118,917	95,271	-	291,417	8,792	46,652	76,715	(123,744)	1,452,616	(12,558)	1,440,058
Loss for the period	-	-	-	-	-	-	-	-	-	(11,027)	(11,027)	(221)	(11,248)
Other comprehensive income (expense) for the period	-	-	-	-	-	-	(5,737)	-	45,417	-	39,680	-	39,680
Total comprehensive income (expense) for the period	-	-	-	-	-	-	(5,737)	-	45,417	(11,027)	28,653	(221)	28,432
Withdrawn upon capital reduction of a subsidiary	-	-	(3,492)	-	-	-	-	-	-	3,492	-	-	-
Transfer to statutory surplus reserve	-	-	1,689	-	-	-	-	-	-	(1,689)	-	-	-
At 30 June 2026 (unaudited)	211,905	726,691	117,114	95,271	-	291,417	3,055	46,652	122,132	(132,968)	1,481,269	(12,779)	1,468,490

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Notes:

- (a) As stipulated by the relevant laws and regulations of the People's Republic of China ("PRC"), before distribution of the net profit each year, the subsidiaries established in the PRC shall set aside 10% of their net profit after taxation for the statutory surplus reserve fund (except where the reserve has reached 50% of the subsidiaries' registered capital). The reserve fund can only be used, upon approval by the board of directors of the relevant subsidiaries and by the relevant authority, to offset accumulated losses or increase capital.
- (b) Other reserve was arisen from the reorganisation in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the difference between the considerations paid and the relevant non-controlling interests upon the acquisition of additional interests in subsidiaries.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	(3,562)	(582)
Decrease in contract liabilities	(18,841)	(19,648)
Other movements in working capitals	(10,160)	26,939
Cash (used in) from operations	(32,563)	6,709
Interest received	20,815	955
Tax paid	(712)	(6,464)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(12,460)	1,200
INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	155	3
Investment in listed equity securities	(15,275)	–
Purchase of property, plant and equipment	(4,431)	(2,876)
Purchase of intangible assets	(45)	(875)
Investment in an associate	–	(22,000)
Receipt of consideration receivables	295	564
Withdrawal of pledged bank deposits	11,350	–
Placement of short-term bank deposits	(511,819)	(698,880)
Withdrawal of short-term bank deposits	260,285	537,395
NET CASH USED IN INVESTING ACTIVITIES	(259,485)	(186,669)

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	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
Proceeds from bank borrowings	32,420	–
Repayments of bank borrowings	(11,350)	(21,700)
Interest paid	(871)	(271)
Repayment of lease liabilities	(2,090)	(1,853)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	18,109	(23,824)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(253,836)	(209,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	430,473	360,313
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	5,040	1,859
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	181,677	152,879

INTERIM FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION AND BASIS OF PREPARATION

SIM Technology Group Limited ("The Company") was incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda (as amended) with limited liability.

The Company is an investment holding company. The principal activities of its subsidiaries are carrying out original design manufacturer ("ODM") business for intelligent terminals ("Intelligent terminal ODM business"), and property management in the PRC.

The functional currency of the Company is Renminbi ("RMB"). The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), as the Directors of the Company consider that it is a more appropriate presentation for a company listed on the Stock Exchange and for the convenience of the shareholders.

The condensed consolidated financial statements of the Group have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange.

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2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments that are measured at fair values.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"), for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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3. REVENUE

Disaggregation of revenue from contracts with customers

For the six months ended 30 June 2026 (unaudited)

	Intelligent terminal ODM business HK\$'000	Property management HK\$'000	Total HK\$'000
Types of goods or services			
Sale of intelligent terminal ODM	173,069	–	173,069
Property rental	–	17,690	17,690
Total	173,069	17,690	190,759
Revenue from contracts with customers and timing of revenue recognition			
A point in time	173,069	N/A	
Over time	–	N/A	
Total	173,069	N/A	

INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025 (unaudited)

	Intelligent terminal ODM business HK\$'000 (Re-presented)*	Property management HK\$'000	Total HK\$'000
Types of goods or services			
Sale of intelligent terminal ODM	187,215	–	187,215
Property rental	–	20,993	20,993
Total	12,907	20,993	208,208
Revenue from contracts with customers and timing of revenue recognition			
A point in time	187,215	N/A	
Over time	–	N/A	
Total	12,907	N/A	

- * To cope with the Group's recent business restructuring and the declining scale of its automotive intelligent products operations, the Group consolidated the automotive intelligent products business into the intelligent terminal ODM business during the six months ended 30 June 2026. As a result, the Group's operating and reportable segments have been reorganized from three to two segments, namely (i) intelligent terminal ODM business and (ii) property management business. Comparative segment information for prior periods has been re-presented accordingly.

Geographical markets

The Group's revenues are substantially generated from the PRC, the country of domicile from which the group entities derive revenue. No further analysis is presented.

INTERIM FINANCIAL STATEMENTS

4. SEGMENT INFORMATION

Segment information is presented based on internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

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

For the six months ended 30 June 2026 (unaudited)

	Intelligent terminal ODM business HK\$'000	Property management HK\$'000	Consolidated HK\$'000
Revenue			
External sales	173,069	17,690	190,759
Segment loss	(11,040)	(8,930)	(19,970)
Other income and other gains and losses – unallocated			10,965
Share of results of associates			726
Corporate expenses			(8,184)
Finance costs			(871)
Loss before taxation			(17,334)

INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025 (unaudited)

	Intelligent terminal ODM business HK\$'000 (Re-presented)	Property management HK\$'000	Consolidated HK\$'000
Revenue			
External sales	187,215	20,993	208,208
Segment profit (loss)	(14,238)	(2,031)	(16,269)
Other income and other gains and losses – unallocated			20,044
Share of results of associates			3,115
Corporate expenses			(2,843)
Finance costs			(271)
Profit before taxation			3,776

Segment result represents the financial result by each segment without allocation of interest income, dividend income, unallocated foreign exchange (loss) gain, net gain or loss on financial assets at FVTPL, share of results of associates, certain other income, corporate expenses, finance costs and taxation.

INTERIM FINANCIAL STATEMENTS

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

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited) (Re-presented)
Segment assets		
Intelligent terminal ODM business	290,431	269,833
Property management	539,845	536,279
Total reportable segment assets	830,276	806,112
Unallocated assets	1,131,369	1,115,860
Total assets	1,961,645	1,921,972
Segment liabilities		
Intelligent terminal ODM business	255,150	251,871
Property management	9,598	16,451
Total reportable segment liabilities	264,748	268,322
Unallocated liabilities	228,407	213,592
Total liabilities	493,155	481,914

INTERIM FINANCIAL STATEMENTS

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable and operating segments other than certain property, plant and equipment, certain right-of-use assets, interests in associates, short-term bank deposits, bank balances and cash, financial assets at FVTPL, equity instruments at FVTOCI and certain other receivables, deposits and prepayments. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segments.

For the purposes of monitoring segment performances and allocating resources between segments, all liabilities are allocated to reportable and operating segments other than certain lease liabilities, certain other payables, accruals, tax payables, bank borrowings and deferred tax liabilities.

5. OTHER INCOME/OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Other income		
Refund of Value Added Tax ("VAT") (Note i)	–	54
Government grants (Note ii)	1,715	1,755
Bank interest income	17,406	15,080
Others	–	774
	19,121	17,663

INTERIM FINANCIAL STATEMENTS

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Other gains and losses		
Gain (loss) on disposal of property, plant and equipment	154	(92)
Written-off other payables	–	2,155
Net foreign exchange (loss) gain	(4,698)	3,270
Changes in fair values of investment properties	(17,593)	(14,739)
Net loss arising on financial assets measured at FVTPL	(1,509)	(63)
	(23,646)	(9,469)

Notes:

- (i) Shanghai Simcom Limited ("Shanghai Simcom"), a subsidiary of the Company, is engaged in the business of distribution of self-developed and produced software and the development of automated test equipment and software. Under the current PRC tax regulation, it is entitled to a refund of VAT paid for sales of self-developed and produced software and the development of automated test software in the PRC.
- (ii) During the current interim period, the amount includes HK\$1,138,592 (six months ended 30 June 2025: HK\$1,116,000) unconditional government grants received which was granted to encourage the Group's research and development activities in the PRC.

As at 30 June 2026, an amount of HK\$29,517,000 (31 December 2025: HK\$27,574,000) remained to be amortised and is included in other payables (for current portion) and deferred income (for non-current portion).

INTERIM FINANCIAL STATEMENTS

6. TAXATION

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Taxation comprises:		
PRC Enterprise Income Tax ("EIT")	(876)	(4,782)
Over provision in prior years	2,564	3,030
	1,688	(1,752)
Deferred tax credit	4,398	3,685
Taxation for the period	6,086	1,933

No provision for Hong Kong Profits Tax has been made for both periods as the Group has no assessable profits arising in Hong Kong.

PRC EIT is calculated at the rates prevailing in the relevant districts of the PRC taking relevant tax incentives into account. Shanghai Simcom Limited is classified as New and High Technology Enterprise and are entitled to adopt a tax rate of 15%. The relevant annual tax rate used for EIT for the Group's subsidiaries ranged from 15% to 25% (six months ended 30 June 2025: 15% to 25%).

Deferred tax charge represented taxable temporary differences associated with revaluation of equity instrument at FVTOCI and revaluation of investment properties and the deductible temporary differences that were previously recognised associated with write-down of inventories, trade receivables and impairment of property, plant and equipment. The directors considered the deductible temporary differences that were previously recognised to the extent that the amounts are no longer probable to be recovered and were reversed for both periods.

INTERIM FINANCIAL STATEMENTS

7. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) profit for the period has been arrived at after charging (crediting) the following items:		
Depreciation of right-of-use assets	1,177	755
Cost of inventories recognised as an expense (included in cost of sales and services)	153,540	162,925

8. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

INTERIM FINANCIAL STATEMENTS

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss) profit		
(Loss) profit for the purposes of basic (loss) earnings per share	(11,027)	8,807
	Six months ended 30 June	
	2026	2025
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	2,119,047	2,143,351

INTERIM FINANCIAL STATEMENTS

10. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

Investment properties

The fair value of the Group's investment properties at 30 June 2026 and 31 December 2025 were arrived at on the basis of a valuation carried out on that date by HG Appraisal & Consulting Limited, independent qualified professional valuers not related to the Group.

The fair value was determined based on the income capitalisation approach, where the market rentals of all lettable units of the properties were assessed and discounted at the market yield expected by investors for this type of properties. The market rentals were assessed based on estimates of future cash flows, supported by the terms of existing lease and the market rentals of the similar properties in the neighbourhood. The capitalisation rates were determined by reference to the yields derived from analysing the sales transactions of similar commercial and industrial properties in Shanghai and Shenyang adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties. There has been no change from the valuation technique used in prior years.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. At the end of the reporting period, the chief financial officer of the Group worked closely with the independent qualified professional valuer to establish and determine the appropriate valuation techniques and inputs. Where there was a material change in the fair value of the assets, the causes of the fluctuations would be reported to the management of the Group.

During the six months ended 30 June 2025, the Group transferred certain buildings from property, plant and equipment and right-of-use assets with aggregate carrying amount of HK\$748,000 to investment properties because its use was changed as evidenced by the end of owner-occupation. The difference between the carrying amounts and the fair values of the relevant properties at the date of transfer of HK\$20,206,000 was recognised in other comprehensive income.

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The fair value of investment properties as at 30 June 2026 was HK\$539,845,000 (31 December 2025: HK\$536,279,000 and a fair value loss of HK\$17,593,000 (six months ended 30 June 2025: fair value loss of HK\$14,739,000) have been recognised directly in profit or loss for the six months ended 30 June 2026. The causes of the fluctuations were the decrease in adopted market rental for valuation, supported by the market rentals of the similar properties in neighbourhood.

Property, plant and equipment

During the current interim period, additions to the Group's property, plant and equipment amounted to HK\$4,431,000 (six months ended 30 June 2025: HK\$2,876,000).

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$1,000 (six months ended 30 June 2025: HK\$95,000) for cash proceeds of HK\$155,000 (six months ended 30 June 2025: HK\$3,000), resulting in a gain on disposal of HK\$154,000 (six months ended 30 June 2025: loss on disposal of HK\$92,000).

Right-of-use assets

During the current interim period, the Group entered into several new lease agreements for the use of office premises and warehouses with lease term ranged from two to three years. The Group is required to make fixed monthly payments during the contract period. On lease commencement, the Group recognised right-of-use assets and lease liability amounted to HK\$5,475,000 (six months ended 30 June 2025: HK\$1,364,000).

Intangible assets

During the current interim period, additions to the Group's intangible assets amounted to HK\$45,000 (six months ended 30 June 2025: HK\$875,000).

INTERIM FINANCIAL STATEMENTS

11. TRADE AND NOTES RECEIVABLES

The normal credit period given on sale of goods and services relating to intelligent terminal ODM business is 0 – 90 days. A longer period is granted to a few customers with whom the Group has a good business relationship and which are in sound financial condition.

The following is an aged analysis of trade receivables, net of allowance for credit losses, as well as notes receivables presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade receivables		
0 – 30 days	33,529	60,239
31 – 60 days	1,773	4,562
61 – 90 days	234	4,911
91 – 180 days	–	3,673
Over 180 days	26,074	25,226
	61,610	98,611
Less: Allowance for credit losses	(27,298)	(26,250)
	34,312	72,361
Notes receivables (Note)		
0 – 30 days	52,222	9,663
31 – 60 days	–	27,136
61 – 90 days	–	8,677
91 – 180 days	–	–
	52,222	45,476
Trade and notes receivables	86,534	117,837

Note: Notes receivables represent the promissory notes issued by banks received from the customers.

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12. REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT MODEL, NET

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Reversal of impairment losses) impairment losses recognised in respect of		
Trade receivables	(297)	(1,617)
Other receivables	25	(423)
Consideration receivables	(295)	(564)
	(567)	(2,604)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

13. INVENTORIES

	30 June	31 December
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Raw materials	70,347	50,706
Work in progress	3,760	–
Finished goods	26,005	10,252
	100,112	60,958

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14. TRADE PAYABLES

Trade payables principally comprise amounts outstanding for trade purchases. The normal credit period taken for trade purchases is 30 – 90 days.

An aged analysis of the Group's trade payables at the end of the reporting period presented based on the invoice dates for trade payables is as follows:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade payables		
0 – 30 days	72,387	72,489
31 – 60 days	3,747	2,809
61 – 90 days	196	–
Over 90 days	13,259	11,934
Trade payables	89,589	87,232

15. BANK BORROWINGS

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Secured short-term borrowings (note i)	–	11,071
Unsecured discounted bills (note ii)	32,973	–
	32,973	11,071

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Notes:

- (i) As at 31 December 2025, the bank borrowings carried fixed interest rate at 1.98% per annum, repayable within one year from the date of withdrawal and were secured by pledged bank deposits of HK\$11,071,000. The bank borrowings were fully repaid during the year ended 31 December 2025.
- (ii) As at 30 June 2026, the discounted bills were unsecured, repayable within one year from the date of withdrawal and the average effective interest ranged from 1.42% to 1.95% per annum. Bills were issued through intra-group transactions and the relevant group entities discounted the bills to independent third parties. The bills receivable and payable issued between group entities were fully eliminated on consolidation.

The bank borrowings were denominated in RMB as at 31 December 2025 and 30 June 2026.

16. SHARE CAPITAL

	Number of shares		Share capital	
	2026 '000	2025 '000	2026 HK\$'000	2025 HK\$'000
Ordinary shares of HK\$0.1 each				
Authorised:				
At 1 January, 30 June	3,000,000	3,000,000	300,000	300,000
Issued:				
At 1 January and 30 June	2,119,047	2,143,351	211,905	214,335

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17. RELATED PARTY TRANSACTIONS

The remuneration of key management during the period was as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Short term benefits	1,135	2,379
Post-employment benefits	164	163
Other benefits	–	405
	1,299	2,947

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value		Fair value as at hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	June 2026 HK\$'000	December 2025 HK\$'000				

Financial assets						
1. Equity instruments at FV/OCI	7,377	7,069	Level 3	Adjusted net assets approach – the book value of assets and liabilities of the investee are adjusted to their fair value.	Adjusted net asset value of the investee	An increase in the adjusted net assets, holding all other variables constant would increase the carrying amount.
– unlisted equity security (9.39%, equity interest in a private entity Established in PRC)						
– unlisted equity security (14.97%, equity interest in a private entity established in PRC)	17,678	24,486	Level 3	Adjusted net assets approach – the book value of assets and liabilities of the investee are adjusted to their fair value.	Adjusted net asset value of the investee	An increase in the adjusted net assets, holding all other variables constant would increase the carrying amount.
	25,055	31,555				
2. Financial assets at FV/PL	14,015	249	Level 1	Quoted bid prices in an active markets.	N/A	N/A
– listed equity security						

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Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI HK\$'000
As at 1 January 2025 (audited)	71,726
Total unrealised loss in other comprehensive income	(2,722)
Exchange adjustment	1,222
As at 30 June 2025 (unaudited)	70,226
As at 1 January 2026 (audited)	31,555
Total unrealised loss in other comprehensive income	(7,649)
Exchange adjustment	1,149
As at 30 June 2026 (unaudited)	25,055

Included in other comprehensive income is an amount of HK\$7,649,000 fair value loss (six months ended 30 June 2025: HK\$2,722,000) relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as changes of "assets revaluation reserve".

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated statement of financial position approximate their fair values.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571, Laws of Hong Kong) ("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 of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

Long position in the shares of the Company

Name of directors	Nature of interest	Total number of ordinary shares of the Company	Approximate percentage of interest in the Company (Note 4)
Mr. Wong Cho Tung	Interest of controlled corporations (Note 1)	1,209,084,000	57.06%
	Beneficial interest (Note 3)	23,912,000	1.13%
	Total	1,232,996,000	58.19%
Ms. Yeung Man Ying	Interest of controlled corporation (Note 2)	734,857,000	34.68%
	Beneficial interest (Note 3)	24,234,000	1.14%
	Total	759,091,000	35.82%
Mr. Zhu Qi	Beneficial interest	225,000	0.01%

OTHER INFORMATION

Notes:

1. (i) Mr. Wong Cho Tung ("Mr. Wong") controlled more than one-third of the voting power of Info Dynasty Group Limited ("Info Dynasty"), therefore Mr. Wong was deemed to be interested in all the 734,857,000 shares of the Company held by Info Dynasty by virtue of Part XV of the SFO; and (ii) Mr. Wong was the sole director of Intellipower Investments Limited ("Intellipower") and Simcom Limited ("Simcom (BVI)") was wholly-owned by Mr. Wong, therefore Mr. Wong was deemed to be interested in all the 454,227,000 shares and 20,000,000 shares held by Intellipower and Simcom (BVI) respectively in the Company by virtue of Part XV of the SFO.
2. Ms. Yeung Man Ying ("Mrs. Wong"), the spouse of Mr. Wong, controlled more than one-third of the voting power of Info Dynasty, therefore Mrs. Wong was deemed to be interested in all the 734,857,000 shares of the Company held by Info Dynasty by virtue of Part XV of the SFO.
3. The 3,098,000 shares of the Company were held jointly by Mr. Wong and Mrs. Wong.
4. Calculation of percentage of interest in the Company is based on the issued share capital of 2,119,047,300 shares of the Company as at 30 June 2026.

As at 30 June 2026, save as disclosed above, none of the Directors, chief executive of the Company or their respective associates had any interests or short positions, whether beneficial or non-beneficial, in the shares, underlying shares and debentures of the Company and/or any of its associated corporations as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30 June 2026, the interests or short positions of the substantial shareholders of the Company and other persons (other than Directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long position in the shares of the Company

Name of shareholder	Nature of interest	Total number of ordinary shares of the Company	Approximate percentage of interest in the Company (Note 1)
Info Dynasty (Note 2)	Beneficial interest	734,857,000	34.68%
Intellipower (Note 3)	Beneficial interest	454,227,000	21.44%

Notes:

1. Calculation of percentage of interest in the Company is based on the issued share capital of 2,119,047,300 shares of the Company as at 30 June 2026.
2. The relationship between Info Dynasty and Mr. Wong and the relationship between Info Dynasty and Mrs. Wong are disclosed under the paragraph headed "Directors and Chief Executive's Interests and Short Positions in Shares" above.
3. The relationship between Intellipower and Mr. Wong is disclosed under the paragraph headed "Directors and Chief Executive's Interests and Short Positions in Shares" above.

Save as disclosed above, as at 30 June 2026, there is no other substantial shareholder of the Company or person (other than a Director or chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under the section 336 of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company had adopted a share option scheme ("Share Option Scheme") on 1 June 2016, and had expired on 1 June 2026.

No option has been granted by the Company under the Share Option Scheme since its adoption on 1 June 2016. As at 1 January 2026, the number of options available for grant under the Share Option Scheme was 255,789,630 shares, which represent 12.07% of the issued shares of the Company as at the date of this report. As at 30 June 2026, no option was available for grant under the Share Option Scheme. No service provider sublimit has been authorised under the Share Option Scheme.

In view of the new requirements under Chapter 17 of the Listing Rules which became effective on 1 January 2023 ("New Share Scheme Rules"), share options shall only be granted under the Share Option Scheme in accordance with and as permitted by the New Share Scheme Rules. No dividend will be payable and no voting rights will be exercisable in relation to an option that has not been exercised.

No share option was granted, exercised, cancelled or lapsed under the Share Option Scheme during 1H-2026.

Save as disclosed above, at no time during 1H-2026 and at the end of 1H-2026 was the Company or any of its subsidiaries a party to any arrangements that would enable the Directors or the chief executive of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate and save as disclosed in this report, none of the Directors, the chief executive of the Company, their respective spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right during 1H-2026 and at the end of 1H-2026.

Save as disclosed above, the Group does not have any other share option scheme or share award scheme during 1H-2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During 1H-2026, 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).

OTHER INFORMATION

CORPORATE GOVERNANCE CODE

According to code provision C.2.1 of the Corporate Governance Code ("Corporate Governance Code") as set out in Part 2 of Appendix C1 to the Listing Rules, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. On 30 September 2022, Mr. Gao Jun resigned as an executive Director and the chief executive officer of the Group ("CEO"). Ever since the resignation of Mr. Gao Jun, the Company has not been able to identify a suitable candidate for the position of the CEO and the office of the CEO therefore remains vacant. This constitutes a deviation from code provision C.2.1.

However, a management team which takes up the roles and duties of the CEO has been set up by the Group since Mr. Gao Jun's resignation. The team comprises five members, including three executive Directors, namely Mr. Wong Cho Tung, Mr. Zhu Wenhui and Mr. Zhu Qi, and two members of the management of the Company, namely Mr. Yang Hanjie (the chief marketing officer of the Group's operational headquarters in the PRC) and Mr. Yang Feng (the General Manager of the ODM Division of the Group's operational headquarters in the PRC). In light of the above, even though the Company has not been able to appoint an individual to take up the role of the CEO since Mr. Gao Jun's resignation, the Board considers that such a deviation from code provision C.2.1 of the Corporate Governance Code is appropriate under such circumstances.

Save as disclosed above, the Company has complied with the code provisions laid down in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules during 1H-2026.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules ("Model Code") as its own code of conduct for dealing in securities of the Company by the Directors. All Directors have confirmed, following specific enquiry by the Company with all Directors, that each of them has fully complied with the required standard as set out in the Model Code during 1H-2026.

AUDIT COMMITTEE

The audit committee of the Board ("Audit Committee") has reviewed with the management the accounting principles and practice adopted by the Group and reviewed the unaudited condensed consolidated interim financial information of the Group for 1H-2026. In addition, the unaudited condensed consolidated interim financial information of the Group for 1H-2026 has been reviewed but not audited by our auditor, Messrs. Deloitte Touche Tohmatsu. The Audit Committee comprises all three independent non-executive Directors.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Cho Tung (*Chairman*)

Ms. YEUNG Man Ying

Mr. ZHU Wenhui

Mr. ZHU Qi

Non-executive Director

Mr. WONG Hei, Simon

Independent non-executive Directors

Ms. LAI Ka Fung May

Mr. LI Minbo

Mr. YANG Wentao

AUDIT COMMITTEE

Ms. LAI Ka Fung May (*Chairman*)

Mr. LI Minbo

Mr. YANG Wentao

REMUNERATION COMMITTEE

Ms. LAI Ka Fung May (*Chairman*)

Mr. LI Minbo

Mr. YANG Wentao

Mr. WONG Cho Tung

NOMINATION COMMITTEE

Ms. LAI Ka Fung May (*Chairman*)

Mr. LI Minbo

Mr. WONG Cho Tung

JOINT COMPANY SECRETARIES

Ms. CHAN Chi Yin (*resigned with effect from 30 January 2026*)

Mr. ZHU Wenhui (*appointed with effect from 30 January 2026*)

Ms. CHENG Ka Wai (*appointed with effect from 30 January 2026*)

AUDITORS

Certified Public Accountants

Registered public interest entity auditors

Deloitte Touche Tohmatsu

LEGAL ADVISERS AS TO HONG KONG LAWS

LCH Lawyers LLP

PRINCIPAL BANKERS

Hang Seng Bank Limited

Shanghai Pudong Development Bank

BERMUDA REGISTERED OFFICE

Richmond House

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Hamilton HM 08

Bermuda

CORPORATE INFORMATION

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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