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KANTONE HOLDINGS LIMITED

看 通 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1059)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2026

FINAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Kantone Holdings Limited (the “**Company**”), together with its subsidiaries, collectively, (the “**Group**”) announces the consolidated results of the Group for the year ended 30 June 2026 with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
Revenue	3	138,841	151,280
Cost of sales		<u>(54,013)</u>	<u>(58,385)</u>
Gross profit		84,828	92,895
Other income, gains and losses		7,051	6,797
Fair value gain on financial assets at fair value through profit or loss		5,077	5,453
Gain on disposal of financial assets at fair value through profit or loss		2,193	116
Fair value (loss)/gain on investment properties		(671)	798
Distribution costs		(28,540)	(25,859)
General and administrative expenses		(56,032)	(56,241)
Impairment losses recognised for inventories		—	(25)
Impairment losses reversed for loan receivables		6	28
Impairment losses recognised for other receivables		(38)	—
Written off of property, plant and equipment		(523)	(691)
Written off of other payables		350	1,827
Written off of loan receivables		—	(48)
Finance costs		<u>(325)</u>	<u>(334)</u>

		2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
	<i>Notes</i>		
Profit before taxation		13,376	24,716
Income tax credit	5	<u>2,876</u>	<u>2,344</u>
Profit for the year		<u>16,252</u>	<u>27,060</u>
Other comprehensive income/(expense):			
<i>Item that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefits pension plans		12,083	3,541
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of foreign operations		<u>(6,133)</u>	<u>15,507</u>
Other comprehensive income for the year		<u>5,950</u>	<u>19,048</u>
Total comprehensive income for the year		<u>22,202</u>	<u>46,108</u>
Earnings per share			
— Basic and diluted	7	<u>HK4.33 cents</u>	<u>HK8.05 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	<i>Notes</i>	2026 HK\$'000	2025 HK\$'000
Non-current assets			
Property, plant and equipment		51,072	45,237
Right-of-use assets		6,557	7,587
Investment properties		12,935	13,830
Retirement benefit surplus		28,775	20,622
Other receivables	9	<u>1,730</u>	<u>2,952</u>
		<u>101,069</u>	<u>90,228</u>
Current assets			
Inventories	8	17,729	18,770
Trade and other receivables	9	45,159	43,809
Loan receivables	10	2,935	2,684
Financial assets at fair value through profit or loss		21,001	10,539
Tax recoverable		6,432	2,838
Cash and cash equivalents		<u>128,450</u>	<u>138,707</u>
		<u>221,706</u>	<u>217,347</u>
Current liabilities			
Trade and other payables	11	41,007	47,314
Contract liabilities		29,530	29,081
Lease liabilities		4,031	4,263
Warranty provision		1,210	1,284
Tax payable		<u>36</u>	<u>36</u>
		<u>75,814</u>	<u>81,978</u>
Net current assets		<u>145,892</u>	<u>135,369</u>
Total assets less current liabilities		<u>246,961</u>	<u>225,597</u>

	<i>Notes</i>	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Non-current liabilities			
Lease liabilities		<u>2,647</u>	<u>3,485</u>
		<u>2,647</u>	<u>3,485</u>
Net assets		<u>244,314</u>	<u>222,112</u>
Capital and reserves			
Share capital		37,503	37,503
Reserves		<u>206,811</u>	<u>184,609</u>
Total equity		<u>244,314</u>	<u>222,112</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for defined benefit retirement plan, certain properties and financial instruments that are measured at fair values and in accordance with HKFRS Accounting Standards (which include all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and accounting principles generally accepted in Hong Kong. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Company and its subsidiaries (collectively, the “Group”) has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on 1 July 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7 HKFRS 18	Contracts Referencing Nature — dependent Electricity ² Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future, except for HKFRS 18 which will impact the presentation of profit or loss. The Group is still in the process of evaluating the impact of adoption of HKFRS 18.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the amounts received and receivable for goods sold and services provided by the Group to external customers.

The revenue of the Group comprises the following:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15		
<i>Revenue from Contracts with Customers</i>		
Technology — Sales of systems including software licensing	57,807	72,621
Technology — Rendering of installation and maintenance services	<u>54,998</u>	<u>53,181</u>
	<u>112,805</u>	<u>125,802</u>
<i>Leases — Operating lease payments that are fixed</i>		
Technology — Leasing of system products	<u>26,036</u>	<u>25,478</u>
	<u>138,841</u>	<u>151,280</u>

(b) Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRS Accounting Standards, which are regularly reviewed by the directors of the Company, being the chief operating decision maker, for the purpose of allocating resources to segments and assessing their performance. Three operating and reportable segments under HKFRS 8 *Operating Segments* are identified as follows:

- Sales of cultural products — includes income from trading of cultural products
- Technology: System sales including software licensing and services — includes income from sales of systems including software licensing and provision of installation and maintenance services
- Technology: Leasing of system products — includes income from leasing of system products

Segment results represent the profit or loss before taxation recognised by each reportable segment, excluding interest income, finance costs, fair value changes of financial assets at fair value through profit or loss and investment properties, unallocated income and expenses such as central administration costs and directors' salaries. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

		Technology		
		System sales including software licensing and services	Leasing of system products	Consolidated
	Sales of cultural products	HK\$'000	HK\$'000	HK\$'000
Year ended 30 June 2026				
REVENUE				
External and total revenue				
Recognised at a point in time	—	57,807	—	57,807
Recognised over time	—	54,998	26,036	81,034
	<u>—</u>	<u>112,805</u>	<u>26,036</u>	<u>138,841</u>
RESULTS				
Segment result	<u>(867)</u>	<u>6,474</u>	<u>2,053</u>	7,660
Interest income				2,789
Fair value gain on financial assets at fair value through profit or loss				5,077
Gain on disposal of financial assets at fair value through profit or loss				2,193
Fair value loss on investment properties				(671)
Finance costs				(325)
Unallocated expenses, net				<u>(3,347)</u>
Profit before taxation				<u>13,376</u>
Year ended 30 June 2025				
REVENUE				
External and total revenue				
Recognised at a point in time	—	72,621	—	72,621
Recognised over time	—	53,181	25,478	78,659
	<u>—</u>	<u>125,802</u>	<u>25,478</u>	<u>151,280</u>
RESULTS				
Segment result	<u>(1,068)</u>	<u>13,887</u>	<u>3,406</u>	16,225
Interest income				3,306
Fair value gain on financial assets at fair value through profit or loss				5,453
Gain on disposal of financial assets at fair value through profit or loss				116
Fair value gain on investment properties				798
Finance costs				(334)
Unallocated expenses, net				<u>(848)</u>
Profit before taxation				<u>24,716</u>

	<u>Technology</u>				
	System sales including				
	Sales of cultural products	software licensing and services	Leasing of system products	Unallocated	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended 30 June 2026					
Amounts included in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	—	10,112	2,308	102	12,522
Depreciation of right-of-use assets	—	3,974	675	—	4,649
Impairment losses reversed for loan receivables	(6)	—	—	—	(6)
Impairment losses recognised for other receivables	—	—	—	38	38

Year ended 30 June 2025

Amounts included in the measure of segment profit or loss:					
Depreciation of property, plant and equipment	—	9,355	1,874	31	11,260
Depreciation of right-of-use assets	—	3,563	533	—	4,096
Impairment losses recognised for inventories	25	—	—	—	25
Impairment losses reversed for loan receivables	(28)	—	—	—	(28)

No information about segment assets and liabilities is presented as such information is not regularly provided to the chief operating decision maker for resource allocation and performance assessment purposes.

4. DEPRECIATION

	2026 HK\$'000	2025 HK\$'000
Depreciation of property, plant and equipment included in general and administrative expenses	12,522	11,260
Depreciation of right-of-use assets included in general and administrative expenses	4,649	4,096

5. INCOME TAX CREDIT

	2026 HK\$'000	2025 HK\$'000
Current tax:		
— UK corporate income tax credit	(3,095)	(2,656)
— Germany corporate income tax	263	357
— Malaysia corporate income tax	—	19
	<u>(2,832)</u>	<u>(2,280)</u>
Over – provision in prior years:		
— Germany corporate income tax	—	—
— Malaysia corporate income tax	(44)	(64)
— UK corporate income tax	—	—
	<u>(44)</u>	<u>(64)</u>
Income tax credit	<u>(2,876)</u>	<u>(2,344)</u>

UK corporate income tax is calculated at 25% (2025: 25%) on the estimated assessable profit derived from UK.

The research and development (“**R&D**”) expenditure credits, which equal to 20% (2025: 20%) of the amount surrendered, are available for carry forward to offset against future corporation tax liabilities.

Pursuant to the rules and regulations of Germany, the Group is subject to corporate income tax at 31.23% (2025: 31.43%) on the estimated assessable profit of the subsidiary which carried on business in Germany.

Pursuant to the rules and regulations of Malaysia, the Group is subject to corporate income tax at 24% (2025: 24%) on the estimated assessable profit of the subsidiary which carried on business in Malaysia.

6. DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2026 nor has any dividend been proposed since the end of reporting period (2025: Nil).

7. EARNINGS PER SHARE

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

	2026 HK\$'000	2025 HK\$'000
Profit for the year	<u>16,252</u>	<u>27,060</u>
<i>Number of ordinary shares</i>	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>375,034</u>	<u>335,989</u>

Diluted earnings per share for the years ended 30 June 2026 and 30 June 2025 were the same as the basic earnings per share as there were no potential ordinary shares outstanding during both years.

8. INVENTORIES

	2026 HK\$'000	2025 HK\$'000
Raw materials	7,960	7,158
Work in progress	2,282	2,947
Finished goods (<i>notes</i>)	<u>7,487</u>	<u>8,665</u>
	<u>17,729</u>	<u>18,770</u>

Notes:

- (i) Included in finished goods are cultural products (including precious stone and artifacts) of HK\$579,000 (2025: HK\$550,000) which are held for trading and resale in the ordinary course of business.
- (ii) As at 30 June 2026 and 2025, all cultural products of the Group were stored in a secured warehouse run by a world-renowned security company, which is an independent third party to the Group.

9. TRADE AND OTHER RECEIVABLES

	2026 HK\$'000	2025 HK\$'000
Trade receivables (<i>Note</i>)	19,569	19,073
Other receivables	<u>27,320</u>	<u>27,688</u>
	<u>46,889</u>	<u>46,761</u>
Represented by:		
Current portion	45,159	43,809
Non-current portion	<u>1,730</u>	<u>2,952</u>
	<u>46,889</u>	<u>46,761</u>

Note:

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days.

The ageing analysis of trade receivables (net of expected credit losses) presented based on the invoice date at the end of the reporting period is as follows:

	2026 HK\$'000	2025 HK\$'000
0–60 days	16,465	15,973
61–90 days	3,099	2,884
91–180 days	—	203
Over 180 days	<u>5</u>	<u>13</u>
	<u>19,569</u>	<u>19,073</u>

Before accepting any new customer, the Group's finance and sales management team would assess the potential customer's credit worthiness and define credit limits accordingly for the customers. Credit limits attributable to customers are reviewed regularly with reference to past settlement history and where appropriate, information about their current reputation.

The ageing analysis of trade receivables (net of expected credit losses) presented based on past due status at the end of the reporting period is as follows:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Not past due	19,564	18,857
Less than 1 month past due	—	—
1 to 3 months past due	—	195
3 to 12 months past due	<u>5</u>	<u>21</u>
	<u>19,569</u>	<u>19,073</u>

10. LOAN RECEIVABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Loan receivables	3,014	2,764
Less: provision for impairment losses	<u>(79)</u>	<u>(80)</u>
	<u>2,935</u>	<u>2,684</u>

As at 30 June 2026, loan receivables (net of expected credit losses) of approximately HK\$2,935,000 (2025: approximately HK\$2,684,000) were due from one borrower (2025: one borrower), unsecured and with personal guarantee. All the loan receivables are denominated in Renminbi (“RMB”). The loan receivables carry fixed interest rate at 8% (2025: 8%) per annum with maturity date within 12 months from the loan draw down date.

11. TRADE AND OTHER PAYABLES

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Trade payables	5,074	4,129
Other payables (<i>Note</i>)	<u>35,933</u>	<u>43,185</u>
	<u>41,007</u>	<u>47,314</u>

Note: It mainly represents amount due to the former ultimate holding company, accrued expenses and accrued directors’ bonus to certain subsidiaries operated in UK.

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

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–60 days	4,101	3,323
91–180 days	<u>973</u>	<u>806</u>
	<u>5,074</u>	<u>4,129</u>

The credit period for purchases of goods ranged from 30 days to 60 days.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Revenue

The Group reported revenue of approximately HK\$139 million for the year ended 30 June 2026, compared with approximately HK\$151 million in the prior year, representing a decrease of 8.2%. This decline was principally attributable to delays in the award and mobilisation of several significant public sector projects in the United Kingdom, particularly within healthcare and emergency services, alongside weaker market activity in the second half of the year. Despite these challenges, recurring service and support revenue remained resilient, and the Group continued to secure strategic customer wins in its core markets.

Profit Attributable to Owners of the Group

Profit attributable to owners of the Group was approximately HK\$16.3 million, compared with approximately HK\$27.1 million in the prior year. Gross margins remained broadly stable, reflecting disciplined pricing and effective product mix management. Profitability was impacted by lower revenue volumes, increased employment costs, and continued investment in product development and strategic growth initiatives. EBITDA remained positive, underscoring the underlying strength of operations and the Group's ability to balance innovation investment with disciplined cost control.

Distribution Costs and General and Administrative Expenses

Distribution costs rose to approximately HK\$28.5 million or 10.4%, driven by higher employment costs, while general and administrative expenses were approximately HK\$56.0 million, similar to the previous year, demonstrating strong operational discipline.

Finance Costs

Finance costs for the year approximately HK\$0.3 million as compared with HK\$0.3 million in the fiscal year 2025.

The Group's financial position remains robust, with cash balances of approximately HK\$128.5 million and no external borrowings. Net assets increased to approximately HK\$244.3 million, providing a solid capital base to support future growth and enabling continued investment in R&D, product innovation, and market expansion.

REVIEW OF OPERATIONS

Technology Business — System Products

Multitone Nucleus™

Multitone Nucleus™ has firmly established itself in the UK healthcare sector, with deployments across multiple NHS trusts and growing adoption internationally. Its cloud-native architecture, advanced integration capabilities, and expanding feature set position it as a cornerstone of the Group's transition to a recurring revenue model.

Recent developments include:

- The release of a Major Incident Management module, aligned with Martyn's Law requirements, enhancing preparedness against terrorism.
- Commencement of modules targeting the Electronic Patient Record market in UK healthcare.
- Development of AI-enabled features to support healthcare professionals.

These innovations highlight the Group's commitment to steering R&D with precision, ensuring solutions anticipate regulatory requirements and market demand.

EkoTek® Family

Revenue from EkoTek® solutions remained resilient at HK\$13.2 million, despite challenging conditions. Germany continues to be a strategic market, while new opportunities in UK mental healthcare demonstrate the product family's enduring relevance.

Multitone Evolve™

Released during the year, Multitone Evolve™ will enter manufacturing in early FY2027. This next-generation device introduces true two-way messaging with delivery and read receipt confirmations, supporting both RF networks and modern connectivity (Wi-Fi, BLE). It complements the Nucleus™ platform, reinforcing the Group's integrated cloud-based strategy.

Multitone Stratos™

Development of Multitone Stratos™ — the successor to the award-winning EkoTek® family — is progressing rapidly, with launch planned for Q1 2027. Stratos™ will deliver enhanced bandwidth, IoT integration, and performance improvements, enabling entry into new verticals previously inaccessible to EkoTek®. This programme exemplifies the Group's precise steering of R&D, ensuring innovation is aligned with long-term growth objectives.

Market Review

- **UK Market:** The UK remains the largest market despite lower sales. The forecast for FY2027 is positive, with large tenders and contracts in emergency services and healthcare expected in the first half of the year.
- **EU Market:** Sales in Germany were HK\$30.9 million, a slight decline of 2%. Other EU markets contributed HK\$6.8 million.
- **Oceania:** Sales declined but the region remains strategically important as the Group's third largest market outside the UK and Germany.
- **US & Canada:** While the US underperformed, a new distribution partner in Canada is actively promoting solutions, with prospects for revenue growth in FY2027.

Iconic Projects

During the year, Multitone Nucleus™ secured contracts with Alder Hey Children's Hospital Trust and successfully went live with the Falklands Islands Fire & Rescue Service, demonstrating the platform's versatility and international appeal.

Cultural Products

Cultural products, including precious stones and artifacts, valued at approximately HK\$579,000 (as at 30 June 2025: HK\$550,000) have been held for trading and resale in the ordinary course of business. They were included in the inventories of the Group as at 30 June 2026.

A general economic slowdown has led to reduced consumer spending, particularly on non-essential items such as artifacts and collectibles.

All such cultural products, totalling 143 pieces, have been kept in a secured warehouse run by a world-renowned security solution company, which is an independent third party to the Group.

Money Lending Transactions

During the year under review, the Company's PRC subsidiary entered into one lending contract (the "Loan") with one PRC company, which is an independent third party. The amount of the Loan is RMB2.6 million (30 June 2025: RMB2.5 million). The terms of the Loan are for a period of twelve months started from the drawdown date, and the interest rate is 8% per annum. The Loan is properly backed by two guarantors whose financial strength is considered strong enough to act as the guarantors of this loan.

Money lending services were provided by the Company's subsidiary in the Mainland of China (Mainland). The Mainland subsidiary has never presented itself to the public as a money lender nor sought out borrowers for loans. As the Company did not engage in marketing of these services. Consequently, the Directors do not view money lending as a principal or core business of the Company during this fiscal year.

The lending activities were limited to term loans with fixed interest rates. Each proposed loan was evaluated individually, with no specific industry designated for lending purposes. However, the Company does maintain a money lending checklist that the Directors should adhere to with due care and acute commercial rationale. Loans are only issued from idle funds and are extended solely to individuals or their companies who approach the subsidiary's directors through personal connections. The directors then conduct a credit assessment, and if the results are satisfactory, they submit their recommendations to the Directors in Hong Kong for further evaluation and approval.

The assessment and Know Your Client (KYC) processes adhere to the following procedures:

1. Verify the identities of the directors of the borrowers and guarantors (where appropriate).
2. Confirm the address proof for both the borrowers and guarantors.
3. Obtain a copy of the business registration certificate and the company number, if applicable.
4. Review the memorandum and articles of association for both the borrower and the guarantor, if applicable.
5. Consult with external legal advisors, if necessary.

After collecting and verifying the background information of the prospective borrowers, the director from the Mainland subsidiary will conduct a loan assessment process. This includes evaluating the creditworthiness and financial standing of the borrowers by reviewing the management accounts, and the personal financial background of the guarantor, where applicable.

Taking into account the borrower's financial condition, the extent and quality of collaterals or guarantees, as well as the loan tenure, the director of the relevant Mainland subsidiary will propose an interest rate aimed at rationalising profit while ensuring compliance with the interest rate regulations in the Mainland. This is to ensure that we do not impose interest rates exceeding the statutory limits. Normally, the Mainland subsidiary will charge no less than double the China Loan Prime Rate (CLPR).

The due diligence report, KYC documentation, and credit assessment documents, along with the loan amount, terms, and repayment method, will be submitted to the Group's directors for approval. Once approval is granted, the final loan agreement should be executed by our director of the Mainland subsidiary, along with the borrower and the guarantor.

The directors of the relevant Mainland subsidiary will maintain personal contact with the borrowers periodically throughout the duration of the loan. They will begin reminding the borrowers about repayment approximately one month before the respective due dates.

The following are our standard procedures for handling delinquent loans:

A demand letter will be sent to the borrower requesting immediate repayment followed by continuing personal visits.

Our legal counsel in the Mainland will be instructed to issue a demand letter to both the borrower and the guarantor, demanding immediate repayment.

Formal legal action will be initiated if:

- (a) The borrower refuses to repay; or
- (b) No settlement arrangement is reached within reasonable time from the date of our legal demand letter.

Ever since the current management permitted the granting of such term loans, there has been no signs that any Loan would become delinquent.

OUTLOOK

Outlook — Steering Towards 2027

The outlook for 2027 is bright and forward-looking. While procurement delays may continue to affect timing, underlying demand for critical communications, staff safety, and cloud-based messaging solutions remains strong.

The Group enters FY2027 with:

- A robust pipeline of opportunities in UK healthcare and emergency services.
- Expanding international traction, particularly in Germany, Oceania, and North America.
- A precisely steered R&D programme, focused on Multitone Nucleus™, Evolve™, and Stratos™, ensuring innovation is aligned with market demand and regulatory requirements. The Multitone Nucleus™ platform the Multitone Evolve™ and upcoming product releases are key drivers of future success. The Group would further invest in the runway of Artificial Intelligence to enhance its existing products and explore new projects.

Europe and the UK are actively modernizing communication systems to meet stricter security, redundancy, and efficiency standards. The critical messaging market is shifting toward cloud, broadband, and AI-enabled platforms, with legacy systems increasingly seen as costly and unsustainable. The future trend points to growth driven by healthcare integration, public safety mandates, and energy-efficient upgrades.

Present Market Situation (2026)

Modernization Push in EU & UK

Governments and enterprises are investing in hybrid alerting systems, broadband public safety networks, and resilient paging infrastructure.

Regulatory drivers include the NIS2 Cybersecurity Directive and stricter spectrum management for public safety communications.

Healthcare Integration

Hospitals and emergency services are adopting secure, interoperable messaging platforms that integrate with Electronic Health Records (EHRs) and mobile health (mHealth) applications.

This improves collaboration, speeds up response times, and supports compliance with privacy regulations.

Legacy Systems Burden

Traditional narrowband paging and legacy infrastructure incur high maintenance costs, often cited as 15–20% of IT/communications budgets.

These systems lack scalability and energy efficiency, pushing organizations toward IP-based, cloud-enabled solutions.

UK Market Trends

Rich Communication Services (RCS) adoption has surged, with 70% penetration in the UK and traffic growing 174% year-on-year.

SMS remains reliable but is increasingly supplemented by WhatsApp (85% penetration) and omnichannel platforms.

Future Trends (2027 and Beyond)

Growth Drivers

Public Safety & Security: Compliance with terrorism-preparedness laws (e.g., Martyn’s Law in the UK) will accelerate adoption of advanced incident management modules.

Healthcare Digitalization: Integration of AI-enabled messaging with EHRs will expand recurring revenue opportunities for vendors.

Energy Efficiency: Upgrades to modern systems reduce power consumption and long-term costs, aligning with sustainability goals.

Technology Shifts

Transition from single-channel systems to multichannel, IP-based platforms (voice, video, data, messaging).

AI-driven orchestration of communication flows, enabling autonomous coordination across multiple channels.

Market Outlook

The global critical messaging market is poised for growth, supported by regulatory mandates, healthcare modernization, and enterprise demand for secure, redundant communication.

Europe and the UK are expected to lead adoption, with strong spillover into North America and Asia-Pacific.

Summary

We observe that the drivers of modernization are — security, healthcare integration, cost savings, and efficiency. The present market is in transition, and the future trend is clear: critical messaging will evolve into resilient, AI-enabled, cloud-based ecosystems, with Europe and the UK at the forefront.”

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group’s financial position remained positive.

As at 30 June 2026, the Group had approximately HK\$128.5 million (2025: approximately HK\$138.7 million) liquid assets made up of deposits, bank balances and cash. Current assets were approximately HK\$221.7 million (2025: approximately HK\$217.3 million) and current liabilities amounted to approximately HK\$75.8 million (2025: approximately HK\$82.0 million). With net current assets of approximately HK\$145.9 million (2025: approximately HK\$135.4 million), the Group maintained a

healthy level of financial liquidity. As at 30 June 2026, the Group had no borrowings (2025: no borrowings) and a zero gearing ratio (2025: zero gearing ratio of the Group, defined as the Group's total borrowings to equity attributable to owners of the Company, was zero).

The Company has been maintaining sufficient cash levels to enable it to meet its liabilities as they fall due. Management reviews cashflow forecasts on a regular basis to ensure sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Finance costs for the year ended 30 June 2026 was approximately HK\$325,000 (2025: approximately HK\$334,000).

The Group's UK subsidiary company experienced a steady increase in operating cash flow throughout the year, signifying robust cash generation from core operations. There were substantial cash outflows from investing activities, primarily for investments in inventory, plant, and equipment. In line with other government entities globally, it will be necessary to extend longer-than-usual credit terms to this category of special customers. Our UK subsidiary therefore has higher internal funding requirements, which necessitate maintaining significantly larger cash reserves as the business expands. Despite these significant cash outflows, the company managed to achieve a net increase in cash and cash equivalents for the year.

Fund Raising Activities

A. 2024 Placing

During the year ended 30 June 2024, the Group completed a fund-raising exercise to strengthen its financial position and raised total gross proceeds of approximately HK\$14.8 million, with the net proceeds therefrom being reserved for the general working capital of the Group and investment in potential sectors should the opportunities arise (the “**2024 Placing**”).

The placing of new shares has been completed on 17 June 2024 and a total of 52,086,000 Placing Shares at the Placing Price of HK\$0.295 per Placing Share were placed to not less than six Placees. The net price of each Placing Share received was approximately HK\$0.28. The market price of the share of the Company on 24 May 2024, being the date on which the terms of the issue were fixed, was HK\$0.355.

Date of Announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
17 June 2024	Placing of new Ordinary shares under general mandate	Approximately HK\$14.8 million	For general working capital purpose which is according to the intention previously disclosed by the Company	Used as intended

Up to 30 June 2026, the Group utilised the net proceeds of the 2024 Placing in accordance with the intentions previously disclosed as follows:

Intended use of net proceeds	Allocation of net proceeds HK\$ (million)	Utilisation up to the financial period ended 30 June 2025 HK\$ (million)	Unused net proceeds up to the financial period ended 30 June 2025 HK\$ (million)	Utilisation up to the financial period ended 30 June 2026 HK\$ (million)	Unused net proceeds up to the financial period ended 30 June 2026 HK\$ (million)
General working capital of the Group	14.8	(10.5)	4.3	(4.3)	—
	<u>14.8</u>	<u>(10.5)</u>	<u>4.3</u>	<u>(4.3)</u>	<u>—</u>

B. 2025 Placing

On 21 January 2025, the Company entered into a placing agreement, pursuant to which the Company conditionally agreed to place, on a best effort basis, maximum of 62,505,000 placing shares (the “**2025 Placing**”).

The placing of new shares was completed and a total of 62,505,000 placing shares at the placing price of HK\$0.172 per placing share were placed to not less than six placees on 13 February 2025. The net proceeds from the placing, after deducting placing commission, professional fees and all related expenses, amounted to approximately HK\$10.5 million. The net price of each Placing Share received was HK\$0.168. The market price of the share of the Company on 21 January 2025, being the date on which the terms of the issue were fixed, was HK\$0.191. The Company intends to use the net proceeds mainly for general working capital of the Group and the acquisition of industrial premises in Hong Kong.

Date of Announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
13 February 2025	Placing of new Ordinary shares under general mandate	Approximately HK\$10.5 million	For working capital of the Group and acquisition of industrial premises in Hong Kong, which is in accordance with the intention previously disclosed by the Company	Used as intended

Up to 30 June 2026, the Group utilized the net proceeds of the 2025 Placing in accordance with the intentions previously disclosed as follows:

Intended use of net proceeds	Allocation of net proceeds	Utilisation up to the financial period ended 30 June 2025	Unused net proceeds up to the financial period ended 30 June 2025	Utilisation up to the financial period ended 30 June 2026	Unused net proceeds up to the financial period ended 30 June 2026
	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>
Working capital of the Group and acquisition of industrial premises in Hong Kong	10.5	(9.3)	1.2	(1.2)	—
	<u>10.5</u>	<u>(9.3)</u>	<u>1.2</u>	<u>(1.2)</u>	<u>—</u>

Treasury Policy

The Group is committed to managing its financial resources prudently and to maintaining a positive liquid financial position with reasonable low gearing. The Group finances its operation and business development by a combination of internally generated resources and from the capital market.

The group's sales to its customers in Europe are in Euros, and to its customers in other countries in US Dollars and Pound Sterling, therefore the group is exposed to movements in the Euro and US Dollar to Sterling exchange rate. The group also sources products in Euros and US Dollars and therefore minimises the risk of exchange rate fluctuations by the operation of both Euro and US Dollar currency bank accounts. The group trades with companies and organisations in more than 30 countries around the world. This geographical spread facilitates a reduced exposure to any particular region of the world where exchange rate risks may occur.

The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expense and, where significant exposure to foreign exchange is anticipated, appropriate hedging instruments may be used.

Management deems the exposure on interest rate risk to be low since the Group didn't have any borrowing.

Capital Commitments

The Group did not have any capital commitments as at 30 June 2026 (2025: Nil).

Charges

Certain property, plant and equipment of the Group with the aggregate carrying amounts of approximately HK\$10.7 million (30 June 2025: approximately HK\$11.1 million) have been pledged as collaterals for the defined benefit retirement scheme of certain subsidiaries operating in UK.

Save as disclosed above, the Group did not have any charges on assets as at 30 June 2026.

Contingent liabilities

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

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures and no future plans for material investments or capital assets during the year ended 30 June 2026.

REMUNERATION POLICY

As at 30 June 2026, the Group employed about 161 full-time and part-time staff around the globe. Staff costs for the year ended 30 June 2026 were approximately HK\$81 million (2025: approximately HK\$76 million).

The remuneration of the employees of the Group is determined with reference to market terms and the capabilities, performance, qualifications and experience of the individual employee.

Emoluments of the Directors are recommended by the Human Resources and Remuneration Committee of the Company after considering factors such as the Company's operating results, individual performance, salaries paid by comparable companies, and time commitment and responsibilities of the relevant director.

The Company has adopted a share option scheme and share award scheme that may serve as an incentive to Directors, eligible employees and consultants where appropriate.

FINAL DIVIDEND

The Directors do not recommend any payment of final dividend for the year ended 30 June 2026 (2025: Nil).

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

Neither the Company nor its subsidiaries purchased, sold or redeemed the Company's listed securities during the year ended 30 June 2026.

SCOPE OF WORK OF CHENG & CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, CHENG & CHENG LIMITED, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by CHENG & CHENG LIMITED in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by CHENG & CHENG LIMITED on the preliminary announcement.

CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2026, the Company has complied with the code provisions in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), except for code provision C.2.1 as explained below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

The role of chairman is being performed by Mr. Chan Koon Wa, who is also being an executive Director, and he is responsible for the overall strategic planning and development of the Group and the effective functioning and leadership of the Board. The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company has been monitored by the executive Director and assisted by the non-executive Directors as well as the senior management. The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and who meet from time to time to look after the operations of the Company.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the year ended 30 June 2026, each of them has complied with the required standards as set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has reviewed with the management of the Group on the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters.

The annual results of the Company for the year ended 30 June 2026 have been reviewed by the Audit Committee.

By order of the Board
KANTONE HOLDINGS LIMITED
Chan Koon Wa
Chairman

Hong Kong, 24 September 2026

As at the date of this announcement, the executive director of the Company is Mr. Chan Koon Wa; and the independent non-executive directors of the Company are Mr. Leung Man Fai, Ms. Chung Sau Wai Ada and Mr. Ip Wai Lun William.