



協同通信集團有限公司

Synertone Communication Corporation

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1613

INTERIM REPORT 2025

CONTENTS

	PAGE
CORPORATE INFORMATION	2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	11
MANAGEMENT DISCUSSION AND ANALYSIS	37
OTHER INFORMATION	47

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Han Weining

Mr. You Yiyang

Mr. He Bianliu

(resigned on 22 August 2025)

Non-executive Director

Ms. Woodham Mostovaya Ekaterina

Independent Non-executive Directors

Ms. Li Mingqi

Mr. Xu Wei

Mr. Xu Dongsen

COMMITTEES

Audit Committee

Ms. Li Mingqi *(Chairperson)*

Mr. Xu Dongsen

Mr. Xu Wei

Nomination Committee

Mr. Xu Dongsen *(Chairperson)*

Ms. Li Mingqi

Mr. Xu Wei

Remuneration Committee

Mr. Xu Wei *(Chairperson)*

Ms. Li Mingqi

Mr. Xu Dongsen

COMPANY SECRETARY

Mr. See Hiu Lun

AUTHORISED REPRESENTATIVES

Mr. You Yiyang

Mr. See Hiu Lun

REGISTERED OFFICE

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1012, 10/F

Tsim Sha Tsui Centre

66 Mody Road

Kowloon, Hong Kong

AUDITOR

Prism Hong Kong Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

WEBSITE

www.synertone.net

CORPORATE INFORMATION *(Continued)*

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

1613

PRINCIPAL BANKERS Hong Kong

The Hongkong & Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

CMB Wing Lung Bank Limited

People's Republic of China ("China" or the "PRC")

Bank of China

China Construction Bank

Agricultural Bank of China

Industrial and Commercial Bank of China

China Merchants Bank

China Minsheng Bank

Bank of Tianjin

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D, P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17th Floor, Far East Finance Centre

No. 16 Harcourt Road

Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Synertone Communication Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby presents the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2025, together with the comparative figures for the corresponding period in 2024, as follows:

		For the six months ended 30 September 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
	Notes		
Revenue	4	9,271	76,124
Cost of sales		(5,304)	(69,942)
Gross profit		3,967	6,182
Other income	5	389	862
Other (losses)/gains, net	5	(59)	40
Selling and distribution expenses		(180)	(143)
Administrative and other operating expenses		(11,371)	(14,460)
Research and development expenditure		(1,090)	(1,459)
Allowance for expected credit loss		(6,560)	(4,781)
Loss from operations		(14,904)	(13,759)
Finance costs	6(a)	(36)	(1,188)
Loss before tax	6	(14,940)	(14,947)
Income tax expenses	7	(7)	(1)
Loss for the period		(14,947)	(14,948)
Other comprehensive (expense)/ income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(235)	38
Reclassification of cumulative translation reserve upon disposal of foreign operations		6,829	—
Other comprehensive income for the period, net of tax		6,594	38
Total comprehensive expenses for the period		(8,353)	(14,910)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 September 2025

		For the six months ended 30 September 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
	Note		
Loss for the period attributable to:			
Owners of the Company		(12,374)	(13,319)
Non-controlling interests		(2,573)	(1,629)
		(14,947)	(14,948)
Total comprehensive expense attributable to:			
Owners of the Company		(5,801)	(13,306)
Non-controlling interests		(2,552)	(1,604)
		(8,353)	(14,910)
		HK cents (Unaudited)	HK cents (Unaudited)
Loss per share			
—Basic and diluted	9	(2.76)	(3.65)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment	10	623	20,044
Right-of-use assets		1,174	7,492
Goodwill	11	21,911	21,911
Financial asset at fair value through profit or loss	12	24,656	24,656
		48,364	74,103
Current assets			
Inventories		45,199	44,420
Trade and other receivables	13	59,687	74,618
Amount due from a former associate		17,273	17,273
Cash and cash equivalents		3,669	11,030
		125,828	147,341
Current liabilities			
Trade and other payables	14	62,442	55,473
Contract liabilities		9,728	14,394
Bank borrowings	15	–	43,030
Lease liabilities		1,052	831
		73,222	113,728
Net current assets		52,606	33,613
Total assets less current liabilities		100,970	107,716

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2025

		As at 30 September 2025 HK\$'000 (Unaudited)	As at 31 March 2025 HK\$'000 (Audited)
	Note		
Non-current liability			
Lease liabilities		148	–
Net assets		100,822	107,716
EQUITY			
Share capital	16	44,874	44,874
Reserves		57,317	63,118
Equity attributable to owners of the Company		102,191	107,992
Non-controlling interests		(1,369)	(276)
Total equity		100,822	107,716

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company						Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Other reserve HK\$'000	Share-based compensation reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2024 (Audited)	36,031	870,791	20,982	(9,996)	-	(837)	(803,798)	113,173
Loss for the period	-	-	-	-	-	-	(13,319)	(13,319)
Other comprehensive income for the period	-	-	-	-	-	13	-	13
Total comprehensive income/(expenses) for the period	-	-	-	-	-	13	(13,319)	(13,306)
At 30 September 2024 (Unaudited)	37,097	874,947	20,982	(9,996)	-	(824)	(817,117)	105,089
At 1 April 2025 (Audited)	44,874	892,474	20,982	(9,996)	2,099	(6,155)	(836,286)	107,992
Loss for the period	-	-	-	-	-	-	(12,374)	(12,374)
Other comprehensive income/(expense) for the period	-	-	-	-	-	(256)	-	(256)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(256)	-	(256)
Reclassification of cumulative translation reserve upon disposal of foreign operations	-	-	-	-	-	6,829	-	6,829
Total comprehensive income/(expenses) for the period	-	-	-	-	-	6,573	(12,374)	(5,801)
Disposal of subsidiaries (note 17)	-	-	-	-	-	-	-	-
At 30 September 2025 (Unaudited)	44,874	892,474	20,982	(9,996)	2,099	418	(848,660)	102,191
								100,822

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

		For the six months ended	
		30 September	2024
		2025	
		HK\$'000	HK\$'000
	Note	(Unaudited)	(Unaudited)
<hr/>			
Net cash used in operating activities		(9,369)	(25,617)
<hr/>			
Investing activities			
Payment for the purchase of property, plant and equipment		–	(270)
Advance to an associate		–	(166)
Interest received		1	39
Proceeds from disposal of subsidiaries	17	2,475	–
		<hr/>	
Net cash generated from/(used in) investing activities		2,476	(397)
<hr/>			
Financing activities			
Proceeds from bank borrowings		–	6,176
Repayment of bank borrowings		–	(13,283)
Proceeds from exercise of share options		–	5,222
Interest paid		(10)	(1,178)
Repayment of lease liabilities		(528)	(331)
		<hr/>	
Net cash used in financing activities		(538)	(3,394)
<hr/>			

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 September 2025

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net decrease in cash and cash equivalents	(7,431)	(29,408)
Cash and cash equivalents at beginning of the period	11,030	33,373
Effect of foreign exchange rates changes	70	30
Cash and cash equivalents at end of the period, representing bank balances and cash	3,669	3,995

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. GENERAL

The Company was incorporated in the Cayman Islands on 11 October 2006 as an exempted company with limited liability. The addresses of the Company's registered office and the principal place of business in Hong Kong are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Room 1012, 10/F, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon, Hong Kong respectively.

On 18 April 2012, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Group is principally engaged in (i) design, development and sales of automation control systems and solutions, (ii) design, research and development, manufacture and sales of intelligent building system and other related products including video intercom and surveillance system for residential homes and buildings, (iii) the rental and maintenance services in relation to computer equipment and machines and other related services, and (iv) smartphone distribution business.

The principal operations of the Group are conducted in Hong Kong and the People's Republic of China (the "**PRC**" or "**China**"). Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK\$**"), which is the functional currency of the Company. For the convenience of the financial statements users, the condensed consolidated financial statements are presented in HK\$, as the Company's shares are listed on the Stock Exchange. These financial statements are presented in HK\$, rounded to the nearest thousand except for per share data.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

Other than changes in accounting policies resulting from the application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies used in the condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2025.

In the current interim period, the Group has applied, for the first time, a number of new and amendments to HKFRSs which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements. The application of the new and amendments to HKFRSs has had no material impact on the Group’s financial performance and positions for the current and prior interim periods and/or on the disclosures set out in the condensed consolidated financial statements.

The Group has not early applied the new and amendments to HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

The directors of the Company have, at the time of approving the condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines.

On adopting HKFRS 8, *Operating Segments*, and in a manner consistent with the way in which information is reported internally to the senior management of the Company, who has been identified as the Group's chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments.

Building Intelligence:	Provision of video intercom system and security alarm solutions for residential complexes; smart home automation systems for new and existing households and other related products.
Control System:	Provision of automation hardware and software products, information systems platforms, as well as the industrial and monitoring and scheduling management system solutions for municipal utilities industry.
Data Centre:	Rental and maintenance services in relation to computer equipment and machines, information technology infrastructure and platform and robot and other related services.
Smartphone Distribution:	Distributor of Xiaomi-branded Smartphones, ecosystem products and related equipment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

3. SEGMENT REPORTING *(Continued)*

For the purposes of assessing segment performance and allocating resources among segments, the Group's senior management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of corporate assets, financial asset at fair value through profit or loss and amount due from a former associate which are unallocated to an individual reportable segment. Segment liabilities include trade and other payables and contract liabilities attributable to the activities of the individual segments, bank borrowings and lease liabilities managed directly by the segments with the exception of corporate liabilities which are unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment results is adjusted earnings or loss before interest and taxes ("**Adjusted EBIT**"). To arrive at the Adjusted EBIT, the Group's earnings or loss are further adjusted for items not specifically attributed to an individual reportable segment, such as interest income, finance costs and unallocated corporate expenses.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

3. SEGMENT REPORTING (Continued)

Information regarding the Group's reportable segments as provided to the Group's senior management for the purpose for resource allocation and assessment of segment performance for each of the six months ended 30 September 2025 and 2024 is as follows:

Segment revenue and results

	For the six months ended 30 September 2025				
	Building intelligence	Control system	Data centre	Smartphone distribution	Total
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Revenue from external customers	841	8,385	–	45	9,271
Inter-segment revenue	503	175	–	–	678
Reportable segment revenue	1,344	8,560	–	45	9,949
Reportable segment loss (Adjusted EBIT)	(6,630)	(2,236)	–	(3,902)	(12,768)
Interest income					1
Finance costs					(36)
Unallocated corporate income and expenses, net					(2,137)
Consolidated loss before tax					(14,940)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

3. SEGMENT REPORTING (Continued)

Segment revenue and results (Continued)

	For the six months ended 30 September 2024				
	Building intelligence HK\$'000 (Unaudited)	Control system HK\$'000 (Unaudited)	Data centre HK\$'000 (Unaudited)	Smartphone distribution HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue from external customers	861	15,560	12	59,691	76,124
Inter-segment revenue	494	311	–	–	805
Reportable segment revenue	1,355	15,871	12	59,691	76,929
Reportable segment (loss)/profit (Adjusted EBIT)	(7,451)	3,732	(18)	(3,948)	(7,685)
Interest income					39
Finance costs					(1,188)
Unallocated corporate income and expenses, net					(6,114)
Consolidated loss before tax					(14,948)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

3. SEGMENT REPORTING (Continued)

Segment assets and liabilities

	Building intelligence		Control system		Data centre		Smartphone distribution		Total	
	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March	30 September	31 March
	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Assets										
Reportable segment assets	45,305	81,458	55,201	64,569	385	265	28,331	30,104	129,222	176,396
Amount due from a former associate									17,273	17,273
Financial assets at fair value through profit or loss									24,656	24,656
Unallocated corporate assets									3,041	3,119
Consolidated total assets									174,192	221,444
Liabilities										
Reportable segment liabilities	23,226	78,716	16,942	16,669	394	175	6,843	1,883	47,405	97,443
Unallocated corporate liabilities									25,965	16,285
Consolidated total liabilities									73,370	113,728

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

4. REVENUE

Disaggregation of the Group's revenue from contracts with customers by major products and services is as follows:

	For the six months ended 30 September 2025 HK\$'000 (Unaudited)		2024 HK\$'000 (Unaudited)
Smartphone distribution	45		59,691
Building intelligence	841		861
Control system	8,385		15,560
Total revenue from contract with customers	9,271		76,112
Add:			
Rental income under HKFRS 16	—		12
Total revenue	9,271		76,124

Revenue from smartphone distribution, building intelligence operation and control system operation recognised at a point in time when the customer obtains control of the goods.

Revenue from data centre operation recognised on over time when the service provided.

Disaggregation of the Group's revenue by geographic markets is as follows:

	For the six months ended 30 September 2025 HK\$'000 (Unaudited)		2024 HK\$'000 (Unaudited)
Hong Kong (place of domicile)	45		49,991
The PRC	9,226		16,421
Overseas	—		9,712
	9,271		76,124

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

5. OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

	For the six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income		
Interest income on bank deposits	1	39
Value-added taxes refund <i>(note)</i>	388	50
Sundry income	–	773
	389	862
Other (losses)/gains, net		
Net exchange loss	–	(14)
Loss on disposal of subsidiaries <i>(note 17)</i>	(59)	–
Reversal of written down on inventories	–	54
	(59)	40

Note:

Value-added taxes refund is recognised when the acknowledgement of refund from the PRC Tax Bureau has been received.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

6. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

(a) Finance costs

	For the six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expense on bank borrowings	10	1,178
Finance charges on lease liabilities	26	10
	36	1,188

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

6. LOSS BEFORE TAX *(Continued)*

(b) Staff costs (including Directors' emoluments)

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries, wages and other benefits	7,090	8,022
Contributions to defined contribution retirement plans	746	1,514
	7,836	9,536

As stipulated by the relevant rules and regulations in the PRC, the PRC subsidiaries of Group are required to contribute a state-sponsored retirement plan, which is a defined contribution pension schemes, for all of their employees at a certain percentage of the employee's basic salary. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees.

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

Save for the above, the Group has no other obligation for payment of retirement benefits beyond the contributions.

As at 30 September 2025 and 2024, the Group had no forfeited contributions available to reduce the existing level of contributions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

6. LOSS BEFORE TAX *(Continued)*

(c) Other items

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories recognised as expenses	5,304	69,942
Allowance for expected credit loss – trade receivables	6,560	4,781
Depreciation of property, plant and equipment	355	1,050
Depreciation of right-of-use assets	494	321

7. INCOME TAX EXPENSES

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax <i>(note c)</i>	7	–
PRC Enterprise Income Tax ("EIT") <i>(note d)</i>	–	1
Income tax expense	7	1

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

7. INCOME TAX EXPENSE *(Continued)*

Notes:

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.
- (b) Pursuant to the rules and regulations of the British Virgin Islands (“BVI”), the BVI subsidiaries of the Group are not subject to any income tax in the BVI.
- (c) Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.
- (d) The PRC subsidiaries of the Group are subject to PRC EIT at a rate of 25% for both current and prior periods under the Law of the PRC on EIT and Implementation Regulation of the EIT Law.
- (e) Under the EIT Law of the PRC, with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or a place of business in the PRC will be subject to withholding tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. Pursuant to the double taxation arrangement between the PRC and Hong Kong effective on 1 January 2007, the withholding income tax rate will be reduced to 5% upon government approval if the investment by the Hong Kong investor in the invested entities in the PRC is not less than 25%. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax.
- (f) Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

During the six months ended 30 September 2025, no dividend has been paid or proposed by the Company, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$12,374,000 (six months ended 30 September 2024: approximately HK\$13,319,000) and the weighted average number of ordinary shares of the Company in issue during the period:

	For the six months ended 30 September	
	2025	2024
	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	448,742	364,574

The denominators used are the same as those detailed above for both basic and diluted loss per share.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the six months ended 30 September 2024 have been adjusted for the effect of exercise of share options on 8 July 2024 and 12 August 2024.

Potential ordinary shares from the assumed exercise of share options have not been included in the calculation of diluted losses per share because they are anti-dilutive for the six months ended 30 September 2025 and 2024. Therefore, diluted loss per share was the same as the basic loss per share for the six months ended 30 September 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group did not recognise additions to property, plant and equipment (six months ended 30 September 2024: addition of approximately HK\$270,000).

11. GOODWILL

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Cost	219,442	219,442
Less: Accumulated impairment losses	(197,531)	(197,531)
Carrying amount	21,911	21,911

The carrying amount of goodwill as at 30 September 2025 and 31 March 2025 were allocated to the Group's cash generating unit as follows:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Control system	21,911	21,911

During the six months ended 30 September 2025 and 2024, the Group did not recognise impairment loss under control system cash generating unit as management of the Group determines that the carrying amount of those assets related to the cash generating unit exceeded the recoverable amount at the end of each reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Unlisted equity securities	24,656	24,656

The unlisted equity securities are shares in logo Workshop Investment Limited, a company incorporated in PRC which is investment holding and its subsidiaries leasing and renting of charging stations for mobile devices and extended value added services. As at 30 September 2025 and 31 March 2025, the Group held 15% equity interest in logo Workshop Investment Limited.

13. TRADE AND OTHER RECEIVABLES

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade receivables <i>(notes a, b)</i>	40,744	53,458
Less: Loss allowance <i>(note c)</i>	(21,043)	(22,643)
	19,701	30,815
Loan receivables <i>(note d)</i>	—	—
Other receivables <i>(note e)</i>	31,745	27,743
Prepaid value-added and other taxes	24	49
Deposits and prepayments	25,809	33,603
Less: Loss allowance	(17,592)	(17,592)
	39,986	43,803
	59,687	74,618

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

13. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) For the six months ended 30 September 2025, purchases of the Group's products by its customers are in general made on credit with credit period of 30 to 180 days (31 March 2025: 30 to 180 days). A longer credit period of 181 to 365 days (31 March 2025: 181 to 365 days) may be extended to customers with long term business relationship, established reputation and good repayment history. The credit terms of each customer of the Group are determined by the Group's sales team and are subject to review and approval by the Group's management based on the customers' payment history, financial background, transaction volume and length of business relationship with the Group.
- (b) The following is an aged analysis of trade receivables, presented based on past due date:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Not yet past due	396	12,227
1–60 days	2,894	2,327
61–90 days	42	2,734
91–180 days	9,600	2,362
181–365 days	7,833	12,493
Over 365 days	19,979	21,315
	40,744	53,458
Less: Loss allowance	(21,043)	(22,643)
	19,701	30,815

- (c) The Group measures loss allowances for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"), which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

13. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(c) (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 30 September 2025 and 31 March 2025:

	Average loss rate		Gross carrying amount		Loss allowance	
	30 September 2025	31 March 2025	30 September 2025	31 March 2025	30 September 2025	31 March 2025
	%	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Collective assessment:						
Not yet past due	1.76	1.76	396	12,227	7	215
0-60 days	2.89	2.89	2,894	2,327	83	67
61-90 days	4.29	4.29	42	2,734	2	117
91-180 days	4.79	4.79	9,600	2,362	460	113
181-365 days	6.53	6.53	7,833	12,493	512	816
Individual assessment	100	100	19,979	21,315	19,979	21,315
			40,744	53,458	21,043	22,643

For long overdue trade receivables, the Group regularly reviews the specific circumstances of each major customer to determine if any follow-up action has to be taken. An extension of credit period may be granted by the Group to customers with long business relationship and established reputation; customers which are distributors that have difficulty in receiving payments from final customers; customers which are government-related entities that are subject to strictly regulated government annual budgeting process and payment approval procedures; and customers for which a repayment plan has been arranged.

For the purpose of assessment of ECLs, expected loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2025

13. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

- (d) Amount represent advanced to independent third parties and are unsecured, interest bearing at 8% per annum with full allowance for lifetime ECL (credit-impaired) of approximately HK\$21,318,000 made in previous years. The specific provision was made for two debtors of which, upon the management's individual assessment, the receivable amounts were past due and long outstanding and thus their full recoverability was in doubt. The Group had written off HK\$21,318,000, but such amounts are still subject to enforcement activities.
- (e) Amounts include the past due gross outstanding receivable balance of approximately HK\$16,831,000 (31 March 2025: HK\$16,831,000), with full allowance of HK\$16,831,000 (31 March 2025: HK\$16,831,000) arising from one-off respirator masks trading to an independent third party.

14. TRADE AND OTHER PAYABLES

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Trade payables	5,921	11,298
Accrued salaries	853	3,394
Accrued expenses	1,270	2,405
Other payables (note)	54,268	37,911
Deposit received	–	3
Financial liabilities measured at amortised cost	62,312	55,011
Other tax payables	130	462
	62,442	55,473

Note:

Amounts include the outstanding payable balance of approximately HK\$6,525,000 (31 March 2025: HK\$6,525,000) arising from one-off respirator masks trading transaction.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

14. TRADE AND OTHER PAYABLES *(Continued)*

The following aged analysis of trade payables presented based on invoice date:

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
0-60 days	559	770
61-90 days	7	599
91-180 days	575	440
181-365 days	1,112	4,551
Over 365 days	3,668	4,938
	5,921	11,298

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

15. BANK BORROWINGS

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
Bank borrowings		
– secured	–	43,030

	30 September 2025 HK\$'000 (Unaudited)	31 March 2025 HK\$'000 (Audited)
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The carrying amounts of the above borrowings are repayable based on scheduled repayment dates set out in the loan agreements:

Within one year	–	43,030
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The carrying amounts of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:

Within one year	–	43,030
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

15. BANK BORROWINGS *(Continued)*

The banking facilities are subject to the fulfilment of covenants. If the Group was in breach of the covenants, the drawn down facilities would become repayable on demand. The Group regularly monitors its compliance with these covenants. During the six months ended 30 September 2025, bank borrowings of HK\$43,030,000 was released upon disposal of certain subsidiaries. As at 31 March 2025, none of the covenants relating to drawn down facilities had been breached.

All of the Group's bank borrowings are carried at amortised cost.

All the bank borrowings are fixed-rate borrowings which carry interest at prevailing interest rates of 5.65%-5.80% per annum for the six months ended 30 September 2025 (31 March 2025: 5.65%-5.80% per annum).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

16. SHARE CAPITAL

	30 September 2025		31 March 2025	
	Number of shares '000	Amount HK\$'000 (Unaudited)	Number of shares '000	Amount HK\$'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.1 each	4,000,000	400,000	4,000,000	400,000
Issued and fully paid:				
At beginning of the period/year (ordinary shares of HK\$0.1 each)	448,742	44,874	360,313	36,031
Issue of shares (note 1)	–	–	74,176	7,418
Exercise of share options (note 2)	–	–	14,253	1,425
At end of the period/year (ordinary shares of HK\$0.1 each)	448,742	44,874	448,742	44,874

Notes:

- (1) On 29 November 2024, the Company issued 74,176,000 new shares under general mandate to independent third parties at the subscription price of HK\$0.28 per share. The net proceeds amounting to approximately HK\$20,770,000 have been applied as general working capital and the procurement of inventory for the smartphone distribution business.
- (2) During the year ended 31 March 2025, 14,252,800 ordinary shares were issued in relation to share options exercised under the share option scheme of the Company for total cash consideration of approximately HK\$6,984,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

17. DISPOSAL OF SUBSIDIARIES

On 25 September 2025, the Group completed the disposal of its non wholly-owned subsidiary, MOX Group Limited, and its subsidiaries (collectively referred as the “**MOX Group**”) at a cash consideration of HK\$2,500,000.

	HK\$'000
<hr/>	
The net liabilities of MOX Group at the date of disposal were as follows:	
Property, plant and equipment	19,372
Right-of-use assets	6,809
Trade and other receivables	26,767
Cash and cash equivalents	25
Trade and other payables	(14,945)
Bank borrowings	(43,757)
	<hr/>
Net liabilities disposed of	(5,729)
	<hr/>
Loss on disposal of MOX Group:	
Consideration received	2,500
Net liabilities disposed of	5,729
Non-controlling interest	(1,459)
Reclassification of cumulative translation reserve upon disposal	(6,829)
	<hr/>
Loss on disposal	(59)
	<hr/>
Net cash inflow arising on disposal:	
Cash consideration	2,500
Less: cash and cash equivalents disposed of	(25)
	<hr/>
	2,475
	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

18. COMMITMENTS

The Group did not have significant commitments outstanding as at 30 September 2025 and 31 March 2025.

19. CONTINGENT LIABILITY

At 30 September 2025, the Group had a joint guarantee given to bank in respect of a loan, with a principal amount of approximately HK\$3.8 million, that had been granted to a former subsidiary.

20. MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following material transactions with its related parties during the period:

(a) Transactions with key management personnel

The remuneration of directors and other members of key management of the Group during the period is as follows:

	For the six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	2,335	2,009
Post-employment benefit	37	21
	2,372	2,030

The remuneration of directors and other key executives is determined having regard to the performance of individuals and market trends.

(b) Guarantee

At 30 September 2024, a personal guarantee was given by Mr. Han Weining, the executive director of the Company with the carrying value of bank borrowing of approximately HK\$43,543,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 30 September 2025

21. EVENTS AFTER THE REPORTING PERIOD

In October 2025, the Company proposed to issue by way of rights issue of up to 897,482,880 rights shares on the basis of two (2) rights share for every one (1) shares held on the record date, at the subscription price of HK\$0.135 per rights share (the **"Proposed Rights Issue"**). For details, please refer to the Company's announcements and circular on 15 October 2025, 10 November 2025 and 24 November 2025. An extraordinary general meeting will be held on 15 December 2025 for the shareholders to consider and if thought fit, pass the ordinary resolution in approving the Proposed Rights Issue.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the leading providers of building and home intelligence products and integrated automation control systems and solutions. The Group's products are widely used in high-rise buildings, high-end residential complexes and smart communities by providing fully digital intelligent control systems for modern living. As one of the world's leading providers of automation control systems, the Group possesses leading standard of technical know-how and commercial competitiveness with which the products are extensively applied in diversified industries including electrical power, petrochemical, public utilities, mining, natural gas and food and beverage industries. The Group has its operation base in Jiaxing City, Zhejiang province of China and has established offices and sales network across major cities in China, including Beijing, Shanghai, Changsha and Hangzhou. In July 2024, the Group launched its smartphone distribution business and served as a distributor of Xiaomi-branded smartphones, ecosystem products and related equipment.

During the six months ended 30 September 2025 (the "**Current Period**"), the Group's principal operations include (i) design, development and sales of automation control systems and solutions, (ii) design, research and development, manufacture and sales of intelligent systems and other related products including video intercom and surveillance systems for residential homes and buildings, (iii) rental and maintenance services in relation to computer equipment and machines, information technology infrastructure and other related services and (iv) smartphone distribution business.

Smartphone distribution business

The Group commenced its smartphone distribution business in July 2024 and served as a distributor of Xiaomi-branded smartphones, ecosystem products, and related equipment (the "**Products**"). The Group typically procures the Products from an authorised distributor and sells the Products directly to wholesalers.

The Group's smartphone distribution business recorded a revenue of HK\$45,000 and a segment loss of HK\$3.9 million for the Current Period as compared to a revenue of HK\$59.7 million and a segment loss of HK\$3.9 million for the six months ended 30 September 2024 (the "**Prior Period**"). The substantial revenue decline in the smartphone distribution business was primarily due to the scaling back its operations during the Current Period, where intense market competition and low profitability prevail with slim profit margins.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Control system operations

The Group's control system operations provide customers with automation control systems and solutions, which are widely used in various industries to monitor pressure, temperature, fluid levels and operating condition, including airport refill system and public utilities control. The Group has established a solid customer base ranging from sizeable listed corporations to governmental entities, municipal utilities (fresh water, sewage, gas and city lights) as well as power generation plants.

The external revenue recorded by the Group's control system segment for the Current Period dropped to HK\$8.4 million (2024: HK\$15.6 million). Due to the intensified competition, the segment loss of HK\$2.2 million was recorded by the control system segment for the Current Period as compared to a segment profit of HK\$3.7 million for the Prior Period due to drop of sales in the Current Period with same level of fixed cost for the Prior Period. However, the whole year revenue and profit is expected to be comparable to prior years, as the business has sufficient resilience and customer dependencies.

Building intelligence operations

The Group's building intelligence business mainly provides customers, which comprise major property developers or building systems integrators, with (i) video intercom system and security alarm solutions products for residential complexes; and (ii) smart home devices and systems for households. The production base is located at Jiaxing Science City in Zhejiang province of China, which has developed an efficient and unified manufacturing control process with ISO9001 certification and has been accredited high technology enterprise status with continuing new products and software developments.

During the Current Period, the operation of the Group's "MOX" brand video intercom and surveillance system products has deteriorated with external revenue decreased from HK\$0.9 million for the Prior Period to HK\$0.8 million for the Current Period. The Group's building intelligence segment recorded a segment loss of HK\$6.6 million for the Current Period as compared to a segment loss of HK\$7.5 million for the Prior Period. Such change was mainly due to the decrease in administrative cost after disposed of certain subsidiaries during the Current Period. A strategic decision was made by the Group to relocate the production to Australia to service the Australia and the Western market, in order to rejuvenate the business, in consideration of the current geopolitical situation.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Data centre operations

The Group's data centre business was principally engaged in the provision of rental and maintenance services in relation to computer equipment and machines and robots and other related services in Hong Kong. The revenue for the Prior Period of approximately HK\$12,000 was attributable to the rental and maintenance services of commercial service robots. As the service contracts expired during the Current Period, the revenue for the Current Period was nil. A segment loss was nil (2024: HK\$18,000) was recorded for the Current Period. However, this business enabled the Group to have accumulated some technical expertise and knowledge to venture into business in financial and artificial intelligence related sectors, which are being closely monitored and followed.

Financial asset at fair value through profit or loss

The Company held 15% equity interests in Iogo Workshop Investment Limited, which is principally engaged in the leasing and renting of charging stations for mobile devices and extended value-added services.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business prospects on the Group's principal operations

During the Current Period, market conditions remained challenging, with persistent inflation and elevated interest rates continuing to suppress consumer demand and business investment in China. Consumers have become increasingly price-sensitive and cautious about discretionary spending. Furthermore, ongoing Sino-US tensions contributed to a weak and disappointing economic recovery in China during the Current Period.

Amid the rapid expansion of artificial intelligence, Internet-of-Things, and intelligent home technology worldwide, the Board believes that these trends will generate sustained and stable demand for the Group's building intelligence products in the Western markets. Accordingly, the Group has made a strategic decision to relocate the production plant to Australia (plan to be built) to cater the Australia and the Western markets.

Additional, the Group will keep maintaining a prudent approach, with continued emphasis on strict cost control. The management will also proactively review and leverage our strength and experiences in high tech areas, such as financial technology and artificial intelligence, to capture business opportunities for a sustainable future.

Future fund raising and investment opportunities

The Company will continue to explore opportunities for new business and investments or mergers and acquisitions which can expand or diversify the Group's business and will bring long-term benefit to the Group. For the purpose of financing the Group's current businesses or any potential investment or acquisitions in the future, the Company is also continuously seeking and assessing any potential fund-raising opportunities, which may include the issue of new shares or convertible securities of the Company or its subsidiaries. The Company will make announcement(s) in respect thereof as required by the Listing Rules should they materialise.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL REVIEW

Revenue

During the Current Period, the Group derived its revenue from the control system, the building intelligence, the data centre businesses and smartphone distribution business. The following table sets forth a breakdown of revenue by business segments for the respective periods:

	For the six months ended 30 September			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Smartphone distribution	45	0.5	59,691	78.4
Building intelligence	841	9.1	861	1.1
Control system	8,385	90.4	15,560	20.5
Data centre	—	0.0	12	0.0
	9,271	100.0	76,124	100.0

The Group's revenue decreased by approximately HK\$66.8 million or 87.8% from approximately HK\$76.1 million for the Prior Period to approximately HK\$9.3 million for the Current Period. The decrease was mainly from scaling back our smartphone distribution business during the Current Period which was intense market competition and low profitability.

Cost of sales

Cost of sales of the Group consists of costs of raw materials, labour costs and manufacturing overheads. It decreased by approximately HK\$64.6 million or 92.4% from approximately HK\$69.9 million for the Prior Period to approximately HK\$5.3 million for the Current Period, which is in line with the decrease in revenue for the Current Period.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Gross profit and gross profit margin

The Group's gross profit for the Current Period was approximately HK\$4.0 million, representing a decrease of approximately HK\$2.2 million or 35.5% from approximately HK\$6.2 million for the Prior Period. The gross profit margin increased to 42.8% as compared to 8.1% for the Prior Period. The increase was mainly due to the scaling back in smartphone distribution business during the Current Period which contributed slim gross profit margin.

Other income

The Group's other income represents, among others, interest income, and value-added taxes refund. The other income for the Current Period decreased to approximately HK\$0.4 million (Prior Period: HK\$0.9 million) mainly due to the decrease in sundry income.

Net other (losses)/gains

The Group recorded other losses of approximately HK\$60,000 (Prior Period: other gains HK\$40,000) due to an one-off loss on disposal of subsidiaries of approximately HK\$60,000 was recognised in the Current Period.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately HK\$37,000 or 25.9% from approximately HK\$143,000 for the Prior Period to approximately HK\$180,000 for the Current Period, which is increased by the marketing expenses.

Administrative and other operating expenses

The administrative and other operating expenses of the Group, which mainly represent the staff costs, depreciation of property, plant and equipment and right-of-use assets and legal and professional fees, decreased by approximately HK\$3.1 million or 21.4% from approximately HK\$14.5 million for the Prior Period to approximately HK\$11.4 million for the Current Period, which was mainly due to the decrease in staff costs and legal and professional fee.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Research and development expenditure

The research and development expenditure of the Group decreased by approximately HK\$0.4 million or 26.7% from approximately HK\$1.5 million for the Prior Period to approximately HK\$1.1 million for the Current Period due to cost control to limit the research and development activities during the Current Period.

Allowance for expected credit loss

During the Current Period, the Group recorded an allowance for expected credit loss of approximately HK\$6.6 million in relation to its trade receivables as compared to approximately HK\$4.8 million for the Prior Period. As at 30 September 2025, the Group's trade receivables amounted to approximately HK\$40.7 million (31 March 2025: HK\$53.5 million), out of which amounts of approximately HK\$21.0 million (31 March 2025: HK\$22.6 million) was considered impaired of the trade receivables. Apart from the specific full provision made according to the Group's individual assessment on long outstanding receivables overdue for over one year without repayment, the remaining receivables were assessed based on an expected credit loss model. For the purpose of assessment of expected credit loss, expected loss rates were estimated based on historical observed default rates over the expected life of the debtors and were adjusted for forward looking information that was available without undue costs or effort.

Finance costs

The finance costs of the Group was approximately HK\$36,000 for the Current Period. The decrease in finance costs of approximately HK\$1,152,000 or 97% from approximately HK\$1,188,000 for the Prior Period was due to the disposal of subsidiaries which bearing for the bank borrowings during the Current Period.

Loss for the period

The loss attributable to owners of the Company decreased from approximately HK\$13.3 million for the Prior Period to approximately HK\$12.4 million for the Current Period, which was mainly attributable to the decrease of administrative and other operating expenses and finance costs during the Current Period due to strict cost control and disposal of subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Capital structure, liquidity and financial resources

The liquidity requirements arise principally from the need for working capital to finance its operations and expansions. The Group has been meeting its working capital and other capital requirements principally from cash generated from its operations, bank borrowings and capital contributions by shareholders of the Company (the “**Shareholders**”). In the long term, the operation of the Group will be funded by internally generated cash flow and, if necessary, additional equity financing and bank borrowings. As at 30 September 2025, the issued share capital of the Company was approximately HK\$44.9 million (31 March 2025: HK\$44.9 million), comprising 448,741,440 shares (the “**Shares**”) of the Company (31 March 2025: 448,741,440 Shares) of nominal value of HK\$0.10 each. There has been no change in the capital structure of the Company during the Current Period and up to the date of this report.

The current ratio of the Group, calculated by dividing the current assets by the current liabilities, as at 30 September 2025 was approximately 1.7 (31 March 2025: approximately 1.3). Gearing ratio calculated by total borrowings (comprising bank borrowings and lease liabilities) net of cash and cash equivalents, over total equity as at 31 March 2025 was 30.5%. Since the Group maintained a net cash position as at 30 September 2025, the gearing ratio is not applicable.

Bank borrowings

As at 30 September 2025, the Group did not have any bank borrowings (31 March 2025: approximately HK\$43.0 million).

Pledge of assets

As at 30 September 2025, the Group did not have any pledge of assets.

As at 31 March 2025, the Group had land use rights and property, plant and equipment in aggregate carrying value of approximately HK\$25.8 million pledged against bank borrowings raised by the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Contingent liabilities

As at 30 September 2025, the Group had a joint guarantee given to bank in respect of a loan with a principal amount of approximately HK\$3.8 million, that had been granted to a former subsidiary.

Significant acquisition and disposal

On 25 July 2025, Sense Field Group Limited, as the vendor, an indirect non wholly-owned subsidiary of the Company, and Guochuang Financial Limited, as the purchaser, entered into the agreement pursuant to which the vendor agreed to sell and the purchaser agreed to purchase the sale shares, representing approximately 66.67% of the issued share capital of the MOX Group Limited and its subsidiaries at the consideration of HK\$2,500,000. The disposal was completed on 25 September 2025. For further details, please refer to the announcements dated 25 July 2025, 31 July 2025 and 30 September 2025 in relation to the said sale and purchase.

Save as disclosed above, the Group had no other significant acquisition or disposal transactions during the six months ended 30 September 2025.

Significant capital expenditure for the period

Save as disclosed elsewhere in this interim report, the Group had no significant capital expenditure commitments as at 30 September 2025.

Risk of foreign exchange fluctuations

Substantially all transactions of the Group are denominated in Renminbi (“**RMB**”), United States Dollar (“**USD**”) and HK\$ and most of the bank deposits are denominated in RMB, USD and HK\$ to minimise foreign exchange exposure. Despite the fluctuation of the exchange rates of RMB and USD against HK\$ during the Current Period, the Directors expect that any fluctuation of RMB and USDs’ exchange rate will not have material adverse effect on the operation of the Group. Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure as at 30 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Employee and remuneration policy

As at 30 September 2025, the Group had 68 (31 March 2025: 79) employees. For the six months ended 30 September 2025, the staff costs of the Group amounted to approximately HK\$7.8 million, representing a decrease of approximately HK\$1.7 million or 17.9% as compared to approximately HK\$9.5 million for the corresponding period last year, mainly due to strict staff cost control by the Group in the Current Period.

The Group's employee remuneration policy is determined based on a number of factors such as individual performance, experience and prevailing industry practices. Compensation policies and packages of employees are being reviewed on an annual basis. In addition to basic salary, performance related remuneration such as bonus may also be awarded to employees based on internal performance evaluation. The emoluments of the Directors are reviewed at least annually and recommended by the remuneration committee of the Company (the "**Remuneration Committee**"), and decided by the Board, as authorised by the Shareholders at the annual general meeting, in accordance with the Group's operating results, individual performance and comparable market statistics. The Group also adopted a share option scheme and eligible participants of which may be granted the share options to subscribe for the Shares in order to enable the Company to grant options to its employees, executives or officers who are contributing to the Group as their incentives and rewards.

The Group has been committing resources in continuing education and training programmes for management staff and other employees in order to upgrade their skills and knowledge. These training courses include internal courses run by the management of the Group and external courses provided by professional trainers. They range from technical training for production staff to financial and administrative trainings for management staff.

OTHER INFORMATION

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2025, the interests and short positions of the Directors and chief executive of the Company in any of the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance Chapter 571, Laws of Hong Kong (“SFO”)), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

LONG POSITIONS IN SHARES

Name of Director	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of shareholding
Mr. Han Weining	Interest of a controlled corporation	43,414,331 (Note 1)	9.67%
	Interest of a controlled corporation	11,800,000 (Note 2)	2.63%
	Beneficial owner	1,632,000	0.36%

OTHER INFORMATION *(Continued)*

Note 1: These interests in Shares are held by Excel Time Investments Limited ("**Excel Time**"), which is wholly and beneficially owned by Mr. Han Weining, an executive Director. By virtue of the SFO, Mr. Han Weining is deemed to be interested in these 43,414,331 Shares.

Note 2: These interests in Shares are held by Hong Kong Able Trillion Group Limited ("**Able Trillion**"), which is wholly and beneficially owned by Mr. Han Weining, an executive Director. By virtue of the SFO, Mr. Han Weining is deemed to be interested in these 11,800,000 Shares. Mr. Han Weining is the sole director of Able Trillion.

Save as disclosed above, as at 30 September 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which would be required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

At no time during the period under review were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES/OTHER PERSONS RECORDED IN THE REGISTER KEPT UNDER SECTION 336 OF THE SFO

As at 30 September 2025, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying shares which would fall to be disclosed to the Company pursuant to provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

OTHER INFORMATION *(Continued)*

LONG POSITION IN SHARES

Name of Shareholder	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of issued Shares <i>(Note 1)</i>
Infinity Holding Resources Limited	Beneficial owner	74,176,000 <i>(Note 2)</i>	16.53%
Nan Yu	Beneficial owner	74,176,000 <i>(Note 2)</i>	16.53%
Lam Siu Sun	Beneficial owner	34,409,280	7.67%

Notes:

1. Based on 448,741,440 Shares in issue as at 30 September 2025.
2. These interests in Shares are held by Infinity Holding Resources Limited, which is 100% owned by Mr. Nan Yu.

Save as disclosed above, as at 30 September 2025, no person (other than a Director or chief executive of the Company) had an interest or short position in the Shares or the underlying shares of the Company that were recorded in the register kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted the share option scheme on 2 September 2022 (the “**2022 Share Option Scheme**”). On 26 September 2025, the 2022 Share Option Scheme was terminated and a new share option scheme (the “**2025 Share Option Scheme**”) was adopted by way of ordinary resolutions. For details, please refer to the Company’s circular and announcements dated 1 September 2025 and 26 September 2025.

The number of options available for grant under the 2025 Share Option Scheme at the end of the reporting period was 44,874,144.

OTHER INFORMATION *(Continued)*

The number of shares available for issue in respect of which options may be granted under the 2025 Share Option Scheme was 44,874,144, representing approximately 10% of the Shares (excluding treasury shares) in issue as at the date of this interim report.

There is no movement of share options granted, exercised, cancelled or lapsed under the 2022 Share Option Scheme or 2025 Share Option Scheme during the six months ended 30 September 2025.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 September 2025.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Change in Director's information since the date of the 2025 annual report of the Company up to the date of this interim report is set out below:

- Mr. He Bianliu ("**Mr. He**") resigned as the executive Director of the Company with effect from 22 August 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. The Board considers that the Company was in compliance with all the applicable code provisions as set out in the CG Code during the six months ended 30 September 2025 apart from code provisions C.2 and F.2.2 as disclosed below.

Code provisions under C.2 of the CG Code

Under code provision C.2 of the CG Code, there should be two key aspects on the management of the Company, being the management of the Board and the day-to-day management of the Group's business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual.

OTHER INFORMATION *(Continued)*

Under the current structure and functions of the Board, the role of chairman should be responsible for the management and leadership of the Board while the role of chief executive officer should be responsible for the day-to-day management of the Group's business. However, the position of the chairman of the Board has been vacant since 3 January 2020 and the position of the chief executive officer has been vacant since 18 March 2025, and hence the Company did not comply with code provisions under C.2 of the CG Code during the six months ended 30 September 2025.

Currently, the roles and functions of the chairman, including the coordination and communication of the Board, are performed collectively by the Board members themselves, and the roles and functions of the chief executive officer are performed collectively by the senior management team. The Company is from time to time identifying the suitable candidates who possess suitable leadership, knowledge, skills and experience to fill the vacancy of chairman of the Board and the chief executive officer.

Code provision F.2.2 of the CG Code

Under code provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. As the position of chairman of the Board was vacant as at the date of the annual general meeting held on 26 September 2025 (the **"2025 AGM"**), Mr. Han Weining, being the executive Director of the Company on the date of the 2025 AGM, was appointed as the chairman of the 2025 AGM to answer and address questions raised by the Shareholders at the 2025 AGM.

The Directors believed that Mr. Han Weining, as an executive Director of the Company on the date of the 2025 AGM, possessed sufficient knowledge on the Group's businesses and had the required leadership in maintaining an effective dialogue with Shareholders and addressing any issues or questions raised in the general meeting. Therefore, Mr. Han was considered suitable and appropriate to act as the chairman of the 2025 AGM in the absence of the chairman of the Board.

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 (the **"Model Code"**) as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all Directors, all Directors have confirmed that they had complied with the required standard of dealings as set out in the Model Code during the six months ended 30 September 2025.

OTHER INFORMATION *(Continued)*

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference and revised from time to time to comply with the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Ms. Li Mingqi (as committee chairperson), Mr. Xu Wei and Mr. Xu Dongsen. The principal duties of the Audit Committee are to review and monitor the Group’s financial reporting system, and risk management and internal control systems.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2025 and considered that the Company had complied with all applicable accounting standards and requirements and made adequate disclosures.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information and to the best of the Directors’ knowledge, information and belief as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules during the six months ended 30 September 2025 and up to the date of this report.

On Behalf of the Board
Synertone Communication Corporation
Han Weining
Executive Director

Hong Kong, 28 November 2025