



V & V TECHNOLOGY HOLDINGS LIMITED

時騰科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8113)

Annual Report 2025



This Annual Report is printed on environmentally friendly paper

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of V & V Technology Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

DIRECTORS

Executive Directors

Dr. Yim Yuk Lun, Stanley *SBS BBS JP*
Mr. Yim Tsz Yu, Jeffrey
Mr. Chan Ka Ho, Vincent
(resigned on 22 August 2025)

Non-Executive Directors

Mr. Yim Tsz Kit, Jacky *(Chairman)*
Ms. Yim Kei Man, Carmen
Mr. Wong Wai Tai

Independent Non-Executive Directors

Mr. Shea Chun Lok, Quadrant
Mr. Fung Cheuk Nang, Clement
Mr. Lau Sun Tao, Gary

AUDIT COMMITTEE

Mr. Shea Chun Lok, Quadrant *(Chairman)*
Mr. Fung Cheuk Nang, Clement
Mr. Lau Sun Tao, Gary

REMUNERATION COMMITTEE

Mr. Shea Chun Lok, Quadrant *(Chairman)*
Mr. Fung Cheuk Nang, Clement
Mr. Yim Tsz Yu, Jeffrey
(appointed on 22 August 2025)
Mr. Chan Ka Ho, Vincent
(resigned on 22 August 2025)

NOMINATION COMMITTEE

Mr. Shea Chun Lok, Quadrant *(Chairman)*
Mr. Fung Cheuk Nang, Clement
Ms. Yim Kei Man, Carmen
(appointed on 27 June 2025)
Mr. Chan Ka Ho, Vincent
(resigned on 27 June 2025)

COMPANY SECRETARY

Mr. Chan Ka Ho, Vincent

REGISTERED OFFICE

One Nexus Way
Camana Bay, Grand Cayman
KY1-9005, Cayman Islands

PRINCIPAL OFFICE

15/F., S.A.S. Tower
55 Lei Muk Road, Kwai Chung
New Territories, Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

The Bank of East Asia, Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

AUDITOR

JFY CPA Limited
Certified Public Accountants
Unit 1709-11, 17/F
Tower 2, The Gateway, Harbour City
25 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

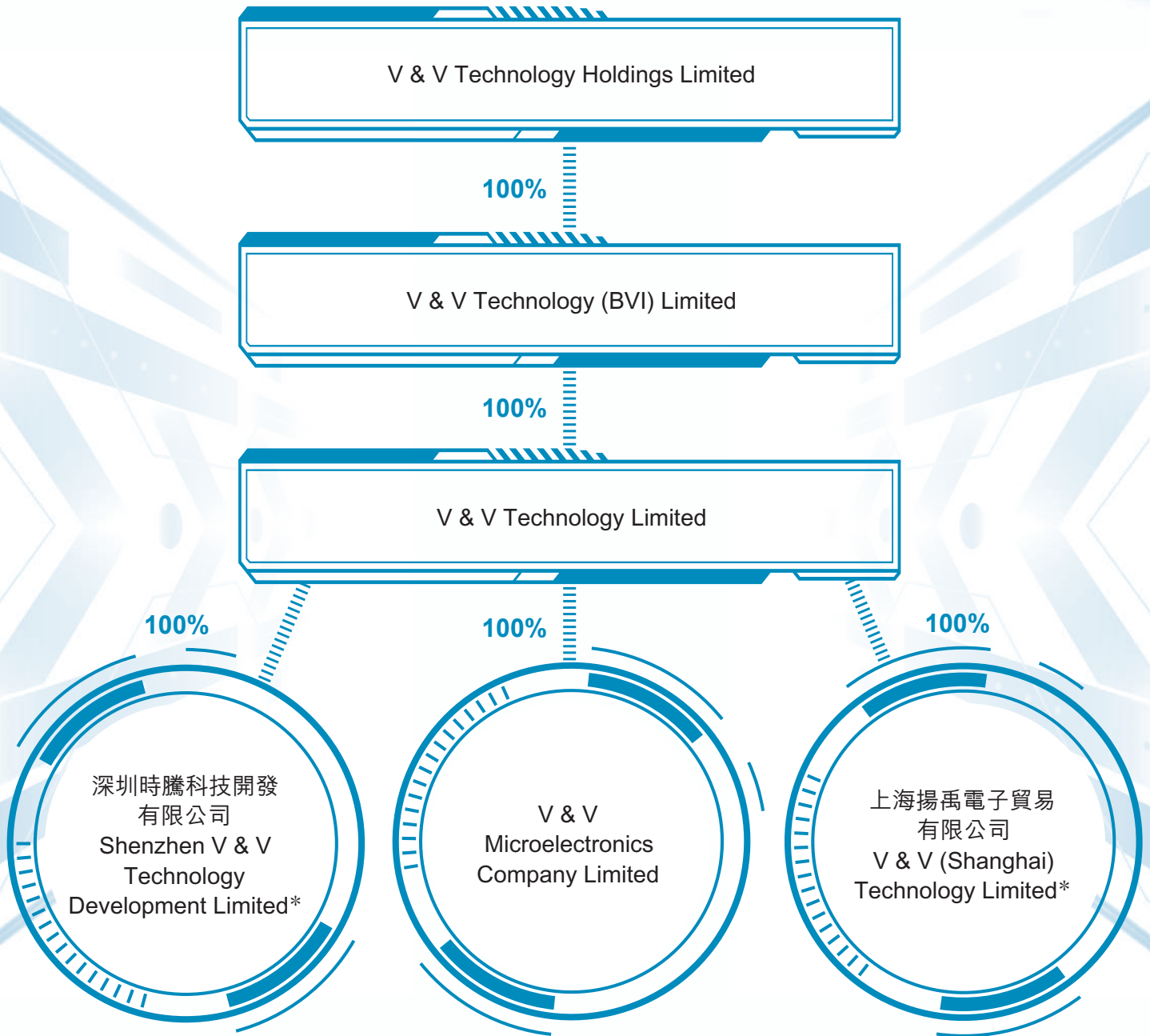
WEBSITE

<http://www.vvtholdings.com>

STOCK CODE

The Stock Exchange of Hong Kong Limited: 8113

Group Structure



* English names for identification purpose only



Financial Highlights

	2025	2024	Change
Revenue (HK\$ thousand)	922,570	960,488	-3.9%
Profit (loss) attributable to owners of the Company (HK\$ thousand)	3,471	(3,186)	N/A
		(Restated)	
Basic profit (loss) per share (HK cents)	2.39	(3.06)	N/A

TO OUR SHAREHOLDERS,

On behalf of the Board, I am pleased to present the annual results of V & V Technology Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2025 (the "Year").

FINANCIAL REVIEW

For the year ended 31 December 2025, the Group achieved revenue of HK\$922,570,000, decreased by 3.9% from HK\$960,488,000 as recorded in 2024. The Group's gross profit was HK\$31,584,000, increased by 20.7% from HK\$26,177,000 as recorded in 2024. Gross profit margin was 3.4%, increased by 0.7% from 2.7% as recorded in 2024. The profit attributable to owners of the Company for the year ended 31 December 2025 was HK\$3,471,000, compared to the loss attributable to owners of the Company of HK\$3,186,000 as recorded in 2024. Basic earnings per share was HK2.39 cents (2024: basic loss per share of HK3.06 cents).

BUSINESS REVIEW

The Group is primarily engaged in the sale of electronic components (mainly integrated circuit ("IC") and panels) for consumer electronic products such as mobile internet devices, network communication system, smart home audio, together with the provision of IDH services to original brand manufacturers and original design manufacturers.

Revenue for the year ended 31 December 2025 decreased as compared with the previous year. The decline was affected by the gradual phase-out of obsolete product lines related to traditional consumer electronics. During the second half of the year, the secured design-in projects related to AI applications commenced production and new product lines were introduced, resulting in stronger revenue performance in the second half of the year as compared with the first half of the year. The profit recorded during the year was primarily attributable to an improvement in gross profit margin and a reduction in finance costs, following the decreased in interest rates during the year.

Mobile Internet Devices

The global tablet market has experienced steady growth in recent years, increasing from approximately US\$110 billion in 2024 to US\$118 billion in 2025 according to the market report. The growth has been driven by rising demand for portable computing devices, evolving digital content consumption, enterprise adoption for productivity, and increasing integration in the education sector. In addition, the growing adoption of e-learning platforms has supported market expansion, as tablets provide convenient access to digital educational content through interactive touchscreen interfaces. Industry participants are also introducing new models with enhanced performance and AI-enabled features to improve user experience and maintain competitiveness.



Chairman's Statement

Against this backdrop, the Group recorded growth in revenue from its tablet-related business during the year under review. The Group supplies key components including IC and AI chips, display panels, memory products and Wi-Fi connectivity solutions, which are widely used in tablet devices to support visual performance, data processing and wireless connectivity. Benefiting from the continued development of the tablet market and increasing demand for higher performance and connectivity in smart devices, the Group remains focused on strengthening its product portfolio and supporting customers in the Greater China region.

Network Communication System

Wi-Fi chips are core components of wireless communication systems and are widely used in consumer electronics, Internet of Things devices, and industrial automation applications. Continuous technological upgrades and the expansion of application scenarios are driving sustained market growth. According to the market report, global Wi-Fi chip market sales reached approximately US\$63 billion in 2024 and are expected to exceed US\$71 billion in 2025.

During the year under review, supported by growing market demand for home appliances, the Group's networking solutions business recorded steady growth. In terms of technology generations, Wi-Fi 5 and Wi-Fi 6/6E chips currently dominate the market, while Wi-Fi 7 remains in the pre-commercial stage. Market growth is also driven by the increasing need for network performance optimisation, stricter regulatory requirements for data protection and network security, the expansion of public Wi-Fi deployments and ongoing digital transformation. The Group will continue to focus on technological developments and application opportunities in the Greater China region.

Smart Home Audio

Demand for smart home audio products remained stable during the year under review, supported by the continued expansion of smart home ecosystems and the integration of artificial intelligence ("AI"). Consumers increasingly seek audio systems that connect seamlessly with other smart devices and provide AI-enabled features such as voice interaction and intelligent control.

Against this backdrop, the Group recorded stable revenue from its smart home audio-related business during the year under review. The Group continued to develop products that align with market trends, including solutions that support AI-enabled functions and smart home connectivity. By leveraging its technological capabilities and focusing on the evolving requirements of connected home environments, the Group aims to capture opportunities arising from the increasing adoption of AI and smart home applications.

IC Solution for Home Appliance

During the year under review, the Group diversified its solution portfolio by introducing a new products line relating to IC solutions for photocouplers, sensors and infrared products for home appliance.

The Group believes that the introduction of this new product line will enable it to further expand its customer base, particularly in the home appliance sector. By leveraging its existing product portfolio and technical capabilities, the Group also aims to generate synergies between its existing and new product lines, thereby exploring additional business opportunities and strengthening its market position.

OUTLOOK

Looking ahead the Group's performance may be affected by external uncertainties, including geopolitical tensions in the Middle East, U.S. tariffs, and rising memory prices. These factors could disrupt the global supply chain, affect component availability, and influence consumer demand across the consumer electronic products and automotive sectors. Market conditions remain dynamic, and the Group will continue to monitor developments closely to mitigate potential impacts.

On the internal front, efforts will focus on expanding new design-in projects and newly appointed product lines, while continuing to optimize existing operations. The Group will also advance the application of AI across multiple scenarios, including the mobile internet device segment, smart home devices, consumer electronic products, and in-vehicle systems. By integrating AI capabilities into its offerings, the Group aims to capture emerging opportunities, enhance product differentiation, and reinforce its long-term competitiveness. The Group will continue to leverage its established competitive strengths and maintain operational discipline across all business segments. Through these initiatives, the Group remains committed to sustaining growth, maintaining market relevance, and delivering value to stakeholders despite ongoing market uncertainties.

DIVIDENDS

The Board does not recommend the payment of final dividend (2024: Nil) for the year ended 31 December 2025.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and other business partners for their long-term supports and dedication.

Mr. Yim Tsz Kit, Jacky

Chairman

Hong Kong, 20 March 2026



Management Discussion and Analysis

Liquidity and Financial Resources

The Group's principal sources of funds are cash generated from operations and bank borrowings. As at 31 December 2025, the Group's current ratio was 132.0% (31 December 2024: 135.2%). As of 31 December 2025, the Group had bank balances and cash of HK\$69,303,000 (31 December 2024: HK\$33,955,000), the Group had fixed bank deposit of HK\$11,700,000 (31 December 2024: HK\$29,040,000) and bank borrowings of HK\$153,656,000 (31 December 2024: HK\$151,164,000). As of 31 December 2025, the Group's net gearing ratio was 90.4% (31 December 2024: 133.8%), which is calculated based on the Group's net debt (calculated as total bank borrowing minus bank balances and cash) of approximately HK\$84,353,000 (31 December 2024: HK\$117,209,000) and Group's total equity of approximately HK\$93,326,000 (31 December 2024: HK\$87,613,000).

The Group recorded debtors turnover period of approximately 44 days for the year under review (2024: 42 days) based on the amount of the average of beginning and ending debtors divided by revenue for the respective year, multiplied by 365 days.

The Group recorded inventory turnover period and payable turnover period of 50 days and 41 days respectively for the year under review (2024: approximately 42 days and 40 days respectively) based on the amount of the average of beginning and ending inventory and creditors as at 31 December 2025, divided by cost of sales for the respective year and multiplied by 365 days.

Foreign Exchange Risk Management

The Group has foreign currency sales and purchases, bank deposits and borrowings primary in United States dollars and Renminbi which expose the Group to foreign currency risk.

The Group will enter into foreign currency forward contracts to hedge the currency risk related to its payable denominated in foreign currencies if necessary.

Employee and Remuneration Policy

As at 31 December 2025, the Group employed approximately 60 employees in the Greater China region. The Group ensures that their employees are offered competitive remuneration packages. Other staff benefits include provident fund schemes and medical insurance. Also, discretionary bonus was granted to eligible employees based on the Group's financial results and individual performance.

Directors and Senior Management Profiles

Executive Directors

Dr. Yim Yuk Lun, Stanley *SBS BBS JP* (嚴玉麟) (“**Dr. Yim**”), aged 66, is appointed as an executive Director of the Company in 2015. Dr. Yim is the founder, chairman and managing director of S.A.S. Dragon Holdings Limited (Stock Code: 1184) (“S.A.S. Dragon”), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), in 1993. Dr. Yim is appointed as an independent non-executive director of Asia Allied Infrastructure Holdings Limited (Stock Code: 711), a company listed on the Main Board of the Stock Exchange in 2020 and has been re-designated from an independent non-executive director to a non-executive director in 2021 and remain as a member of the audit committee and the nomination committee.

Dr. Yim is currently a member of HKSAR Fight Crime Committee, member of Independent Police Complaints Council, member of Development Bureau Appeal Tribunal Panel, chairman of Tsuen Wan District JPC Honorary President Council, President of Hong Kong Justice of the Peace Association, Honorary Permanent President of Hong Kong Baptist University Foundation, co-chairmen of Entrepreneur Committee of Hong Kong Baptist University, member of The Court of Hong Kong Metropolitan University, Honorary Vice President of the Hong Kong Electronic Industries Association, member of the Advisory Board of Yan Chai Hospital, vice chairman of Hong Kong Artificial Intelligence & Innovation Association and Honorary President of Federation of Hong Kong-Shanghai Associations. Dr. Yim is the father of Mr. Jacky Yim, Ms. Carmen Yim and Mr. Jeffrey Yim.

Mr. Yim Tsz Yu, Jeffrey (嚴子諭) (“**Mr. Jeffrey Yim**”), aged 32, is appointed as an executive Director of the Company in 2024. He is a member of the Remuneration Committee. He holds a Bachelor’s degree from Cass Business School, City University of London in the United Kingdom and a Master’s degree in China Business Studies from Hong Kong Polytechnic University. He has over 5 years of experience in the display and lighting product industry. Before joining the Group, he was the business director of S.A.S. Lighting Company Limited since 2019, a wholly-owned subsidiary of S.A.S. Dragon. Mr. Jeffrey Yim is currently deputy director of Correctional Services Pioneer Leaders of Hong Kong Correctional Services, committee member on Community Support for Rehabilitated Offenders Correctional Services Department, member of the District Fight Crime Committee (Kwai Tsing), President of Kwai Tsing District JPC Honorary President Council, member of District Youth Community Building Committee (Kwai Tsing), committee member of Tsuen Wan Lightings Festival Organizing Committee, director of Po Leung Kuk, executive committee member of Group 5 (Hong Kong Electronics Industry Council) of Federation of Hong Kong Industries, member of Hong Kong CPPCC Youth Association and member of Hong Kong Electrical Appliance Industries Association. He is a son of Dr. Yim and the youngest brother of Mr. Jacky Yim and Ms. Carmen Yim.



Directors and Senior Management Profiles

Non-executive Directors

Mr. Yim Tsz Kit, Jacky (嚴子杰) (“Mr. Jacky Yim”), aged 41, is appointed as the Chairman and a non-executive Director of the Company in 2023. He is responsible for the formulation of corporate strategies and the overall direction of the Group. He is appointed as an executive director of S.A.S. Dragon in 2013. He is the founder and chief executive officer of S.A.S. Lighting Company Limited since 2009, a wholly-owned subsidiary of S.A.S. Dragon and leads a working team to develop the LED lighting business in the S.A.S. Dragon Group.

He received the Young Entrepreneur Award of the Guangdong-HK-Macao Greater Bay Area in 2020, the Directors of the Year Awards from The Hong Kong Institute of Directors in 2019 and the Young Industrialist Awards of Hong Kong from The Federation of Hong Kong Industries in 2017. He holds a Bachelor’s degree from Central Saint Martins in United Kingdom and a Master’s degree in Business Administration from the University of Wales. Before joining the S.A.S Dragon Group, he worked in banking industry.

Mr. Jacky Yim is currently a member of the Chinese People’s Political Consultative Conference Shanghai Committee, committee member of Shanghai Chinese Overseas Friendship Association, the vice chairman of Shenzhen Association of Enterprises with Foreign Investment (深圳市外商投資企業協會), commerce member of Shenzhen & HK Youth Chamber, member of Yau Tsim Mong South Area Committee, vice chairman of Group 5 (Hong Kong Electronics Industry Council), Federation of Hong Kong Industries, member of the Panel on Manpower Development of Hong Kong Council for Testing and Certification, member of the executive committee of Hong Kong Electronic Industries Association, Vice President of the Hong Kong Electrical Appliance Industries Association, Vice President of Hong Kong Young Industrialists Association Foundation, Vice President of Federation of Hong Kong-Shanghai Associations and committee member of Hong Kong-Jing’an Association. He is a son of Dr. Yim and the eldest brother of Ms. Carmen Yim and Mr. Jeffrey Yim.

Directors and Senior Management Profiles



Ms. Yim Kei Man, Carmen (嚴紀雯) (“Ms. Carmen Yim”), aged 37, is appointed as a non-executive Director of the Company in 2024. She is a member of the Nomination Committee. She is appointed as non-executive director of S.A.S. Dragon since 2022. She holds a Bachelor’s degree in Sociology from the London School of Economics. She has over 9 years’ experience in property investment industry. She has been acting as vice-chairman of Yan Chai Hospital since 2024 and board of directors of Yan Chai Hospital since 2018. She is currently the manager of Yan Chai Hospital Yim Tsui Yuk Shan Kindergarten and Yan Chai Hospital Chan Lu Seng Primary School. She is also a member of Tsuen Wan East Area Committee, member of Tsuen Wan District Youth Development and Civic Education Committee, the honorary career advisor of Hong Kong Baptist University and a member of Young Entrepreneur Committee of Hong Kong Baptist University Foundation. She is an observer of the Independent Police Complaints Council since 2023. She is the daughter of Dr. Yim and the sibling of Mr. Jacky Yim and Mr. Jeffrey Yim.

Mr. Wong Wai Tai, (黃維泰), aged 54, is appointed as a non-executive Director of the Company in 2016. He holds a Bachelor’s degree of Business Administration from Hong Kong Baptist University and a Master of Laws from Renmin University of China. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants. He has over 30 years of experience in accounting, auditing, taxation and financial management. Mr. Wong is appointed as an executive director of S.A.S. Dragon in 2016.

Independent non-executive Directors

Mr. Shea Chun Lok, Quadrant (佘俊樂) (alias Martin, former name, Shea Chi Lap, Quadrant), aged 59, is appointed as an independent non-executive Director of the Company in 2015. He is the chairman of Audit Committee, Nomination Committee and Remuneration Committee. Mr. Shea graduated from Monash University of Australia with a Bachelor’s degree in Business and later completed a postgraduate program of Public Finance (Taxation) and obtained a Master’s degree in Economics from Jinan University, China and a Master of Laws degree from Renmin University of China. He is also a fellow member of CPA Australia, a member of Hong Kong Institute of Certified Public Accountants, The Chartered Institute of Management Accountants of the United Kingdom and Institute of Singapore Chartered Accountants and a Chartered Global Management Accountant. Mr. Shea is a former Chartered Tax Adviser of Hong Kong and was a member of The Taxation Institute of Hong Kong. He has obtained a Certificate of Pass in Practice Training Examination for Hong Kong Certified Tax Advisers Serving in Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Qianhai, Shenzhen jointly issued by Shenzhen Municipal Office of the State Administration of Taxation and Shenzhen Local Taxation Bureau. He has been awarded the Certified ESG Planner with the focus on sustainable banking and finance issued by the International Chamber of Sustainable Development.



Directors and Senior Management Profiles

Mr. Shea has substantial experience in accounting and finance in listed companies and worked as a qualified accountant and company secretary in various companies listed on the Main Board of the Stock Exchange over the years. Mr. Shea was the group financial controller of S.A.S. Dragon from 1999 to 2005. He has been appointed as an independent non-executive director of Beijing Enterprises Water Group Limited (Stock Code: 371) since 2002, a company listed on the Main Board of the Stock Exchange, and is also the chairman of the audit committee of the company. He was an executive director, the chief financial officer and company secretary of Asia Allied Infrastructure Holdings Limited (Stock Code: 711), a company listed on Main Board of the Stock Exchange and an executive director of Modern Living Investments Holdings Limited (Stock Code: 8426), a company listed on GEM of the Stock Exchange, until his resignation in December 2024.

Mr. Fung Cheuk Nang, Clement (馮卓能), aged 49, is appointed as an independent non-executive Director of the Company in 2015. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. He has extensive management experience in development and manufacturing of consumer products.

Mr. Fung is also director of Smarhome Technology Limited and Smarhome Products Limited, both of which are privately-owned consumer electronics companies in Hong Kong. Mr. Fung has been appointed as an independent non-executive director of Crocodile Garments Limited (Stock Code: 122), a company listed on the Main Board of the Stock Exchange since 2021. Mr. Fung holds positions in various charitable and social organisations. He is a member of the advisory board of Yan Chai Hospital, of which he was the chairman of the board of directors during the term of year 2018-2019.

Mr. Lau Sun Tao, Gary (劉樂濤), aged 43, is appointed as an independent non-executive Director of the Company in 2024 and he is a member of the Audit Committee. He holds a Bachelor degree in Business Administration from the University of Kent. He has over 18 years of experience in the watch and clock industry.

He received the Social Caring Youth Leadership Award from Social Enterprise Research Academy in 2017 and the Young Industrialist Awards of Hong Kong from Federation of Hong Kong Industries (“FHKI”) in 2020.

Directors and Senior Management Profiles



Mr. Lau is currently a deputy chairman, a general committee member and chairman's committee member of FHKI. He is also the chairman of the Executive Committee of Hong Kong Watch and Clock Council, the chairman of the Belt and Road Committee and a core member of Young Executive Council of FHKI. Mr. Lau is the chief honorary president of Hong Kong Watch Manufacturers Association, the chairman of Watches & Clocks Advisory Committee of the Hong Kong Trade Development Council, a member of Vocational Training Council Jewellery and Timepieces Training Board, a member of Programme Management Committee of BUD Fund, a member of Advisory Committee on Admission of Quality Migrants and Professionals, a member of Trade Single Window User Consultation Group, Commerce and Economic Development Bureau, an executive committee member of The Hong Kong Shippers' Council, a member of The Y. Elites Association, a member of Hong Kong Young Industrial Council ("HKYIC"), a member of Hong Kong Watch and Clock Human Resources Development Committee, Lay Member of Barrister Disciplinary Tribunal Panel, a member of HKYIC Youth Chapter, a committee member of Watch and Clock Industry Working Committee for the Recognition of Prior Learning Mechanism and honorary president of Tsuen Wan District JPC. He is currently also a VTC Council member from 1 July 2025 to 30 June 2027.

Senior Management

Mr. Chan Ka Ho, Ken (陳家豪) ("Mr. Ken Chan"), aged 44, is appointed as the chief executive officer of the Company in 2023. He graduated from The Hong Kong Polytechnic University in Hong Kong with a Bachelor's degree in Electronics and Information Engineering in 2004. Mr. Ken Chan has over 18 years of experience in corporate management and business development in sales and marketing within electronics field. Before joining the Company, he was the vice president of sales of S.A.S. Microelectronics Company Limited since 2015, a wholly-owned subsidiary of S.A.S. Dragon.

Mr. Chan Ka Ho, Vincent (陳家豪) ("Mr. Vincent Chan"), aged 43, is appointed as a financial controller and company secretary of the Company in 2024. He was an executive Director of the Company from 1 July 2024 to 22 August 2025. He holds a Master's degree in Corporate Governance from Hong Kong Metropolitan University. Before joining the Group, his last position was the deputy chief operating officer in S.A.S. Dragon Group. He is also a member of Hong Kong Institute of Certified Public Accountants since 2017. He has over 10 years of experience in accounting, tax, financial, treasury, internal control and risk assessment.

Mr. Li Xiao Ming (李曉鳴), aged 61, is appointed as a director of 深圳時騰科技開發有限公司 (Shenzhen V & V Technology Development Limited for identification purpose only) in 2003, a subsidiary of V & V Technology Limited. He joined V & V Technology Limited in 2002 and is currently as the marketing director. He graduated from Chongqing University in 1984 with a Bachelor's degree in Electronics Engineering. He has more than 30 years of management experience within the electronics field in product development.

Mr. Huang Yung Hsing (黃永興), aged 60, was appointed as a supervisor of 上海揚禹電子貿易有限公司 (V & V (Shanghai) Technology Limited for identification purpose only) ("V & V (Shanghai)") in 2007 and is appointed as a director of V & V (Shanghai) in 2015. He joined V & V Technology Limited as the engineering director in 2002. He graduated from Tunghnan University in 1985 with a Bachelor's degree in Electronics Engineering. He has more than 20 years of experience within the electronics fields of engineering and R & D projects development.



Corporate Governance Report

The Company recognizes the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the GEM Listing Rules. The Company has listed on the GEM since 7 January 2016. The Company had complied with the applicable code provisions (the "Code Provisions") set out in the CG Code throughout the Year, except for the deviations from the CG Code provisions, which is explained in the relevant paragraph below. Disclosures on the new requirements as set out in the revised CG Code which took effect on 1 July 2025 will be included in the 2026 annual report to be published in 2027 as guided by the Stock Exchange.

BOARD OF DIRECTORS

The Board is responsible for the formulation of corporate strategies, the setting of appropriate strategic policies and internal control and the oversight of the operation and financial performance of the Group. The Board are individually and collectively accountable to the shareholders of the Company (the "Shareholders") for the success and sustainable development of the Group.

Day-to-day management of the Group is delegated to the executive Directors or senior management. Executive Directors and senior management meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

BOARD COMPOSITION

The Board comprises eight Directors and their respective roles are set out as follows:

Executive Directors:

Dr. Yim Yuk Lun, Stanley *SBS BBS JP*

Mr. Yim Tsz Yu, Jeffrey

Mr. Chan Ka Ho, Vincent (*resigned on 22 August 2025*)

Non-executive Directors:

Mr. Yim Tsz Kit, Jacky (*Chairman*)

Ms. Yim Kei Man, Carmen

Mr. Wong Wai Tai

Independent non-executive Directors:

Mr. Shea Chun Lok, Quadrant

Mr. Fung Cheuk Nang, Clement

Mr. Lau Sun Tao, Gary



RELATIONSHIP BETWEEN BOARD MEMBERS

Dr. Yim Yuk Lun, Stanley *SBS BBS JP* (“Dr. Yim”) (an executive Director and a substantial shareholder of the Company) is the father of Mr. Yim Tsz Kit, Jacky (a non-executive Director and Chairman of the Company), Ms. Yim Kei Man, Carmen (a non-executive Director of the Company) and Mr. Yim Tsz Yu, Jeffrey (an executive Director of the Company).

Save as disclosed above, there are no financial, business, family or other material/relevant relationship among the Directors.

Details of remuneration paid to members of key management (including all Directors and senior management as disclosed in section headed “Directors and Senior Management Profiles” of this report) for the Year fell within the following bands:

	Number of individual 2025
Below HK\$1,000,000	11
HK\$1,000,001 – HK\$2,000,000	1

Under the CG Code provision C.1.7, an issuer should arrange appropriate insurance cover in respect of legal action against its Directors. With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively and the possibility of actual litigation against the Directors is low. The Company will consider making such an arrangement as and when it thinks necessary.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are separate and are not performed by the same individual. Mr. Yim Tsz Kit, Jacky holds the position of the Chairman of the Group and is responsible for the formulation of corporate strategies and the overall direction of the Group.

Mr. Chan Ka Ho, Ken holds the position of the Chief Executive Officer of the Group and is responsible for day-to-day management of the Group’s business.

Director’s Appointments, Re-election and Removal

For term of appointment of each Director, please refer to the section headed “Directors’ Service Contracts” in this annual report.

All the Directors, including non-executive and independent non-executive Directors, are subject to retirement by rotation and eligible for re-election in accordance with the Company’s articles of association. At each annual general meeting, not less than one third of the Directors then in office shall retire and every Director is subject to retirement by rotation at least once every three years.

Corporate Governance Report

Confirmation of Independence

Each of the independent non-executive Directors had made a confirmation of independence by reference to Rule 5.09 of the GEM Listing Rules and the Board is satisfied that all the independent non-executive Directors were independent and met the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

Number of Meetings and Directors' Attendance

The Board meets regularly for considering, reviewing and/or approving matters relating to, among others, the financial and operating performance, as well as, the overall strategies and policies of the Company. Additional meetings are held when significant events or important issues are required to be discussed and resolved.

10 Board meetings were held during the Year. The individual attendance record of the Board meetings and annual general meeting (the "AGM") are set out as follows:

	Number of Board Meetings attended/eligible to attend	AGM
<i>Executive Directors:</i>		
Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i>	10/10	1/1
Mr. Yim Tsz Yu, Jeffrey	10/10	1/1
Mr. Chan Ka Ho, Vincent (<i>resigned on 22 August 2025</i>)	10/10	1/1
<i>Non-executive Directors:</i>		
Mr. Yim Tsz Kit, Jacky	10/10	1/1
Ms. Yim Kei Man, Carman	10/10	1/1
Mr. Wong Wai Tai	10/10	1/1
<i>Independent non-executive Directors:</i>		
Mr. Shea Chun Lok, Quadrant	10/10	1/1
Mr. Fung Cheuk Nang, Clement	10/10	1/1
Mr. Lau Sun Tao, Gary	10/10	1/1

BOARD COMMITTEES

Audit committee

The Board established the audit committee on 23 December 2015 with written terms of reference which are of no less exacting terms than those set out in the CG Code.

The audit committee comprises three independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Lau Sun Tao, Gary. Mr. Shea Chun Lok, Quadrant is the chairman of the audit committee.



The primary duties of the audit committee are to review and supervise the financial reporting process, risk management and internal control system of the Company, the effectiveness of the Group's internal audit function, nominate and monitor external auditors, meet with external auditor regularly and provide advice and comments to the Board.

The audit committee had reviewed the Group's consolidated financial statements for the Year.

The audit committee held 3 meetings to review unaudited interim results and annual results and reports during the year ended 31 December 2025, financial reporting and compliance procedures and effectiveness of risk management systems and internal controls of the Group. The attendance records of individual committee members are set out below:

Directors:	Number of Meetings attended/eligible to attend
Mr. Shea Chun Lok, Quadrant	3/3
Mr. Fung Cheuk Nang, Clement	3/3
Mr. Lau Sun Tao, Gary	3/3

Remuneration committee

The Board established the remuneration committee on 23 December 2015 with written terms of reference which are of no less exacting terms than those set out in the CG Code.

The remuneration committee comprises one executive Director namely Mr. Yim Tsz Yu, Jeffrey and two independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant and Mr. Fung Cheuk Nang, Clement. Mr. Shea Chun Lok, Quadrant is the chairman of the remuneration committee.

The primary duties of the remuneration committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group, review and recommend the management's remuneration proposals by reference to the corporate goals and objectives resolved by the Board from time to time.

The emoluments of the directors of the Company are recommended by the Remuneration Committee and are decided by the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

Corporate Governance Report

The remuneration committee held 1 meeting during the Year to review and discuss with the management of the Company the remuneration policy and structure of the Directors and senior management of the Group.

Directors:	Number of Meetings attended/eligible to attend
Mr. Shea Chun Lok, Quadrant	1/1
Mr. Fung Cheuk Nang, Clement	1/1
Mr. Yim Tsz Yu, Jeffrey (<i>appointed on 22 August 2025</i>)	N/A
Mr. Chan Ka Ho, Vincent (<i>resigned on 22 August 2025</i>)	1/1

Nomination committee

The Board established the nomination committee on 23 December 2015 with written terms of reference which are of no less exacting terms than those set out in the CG Code.

The nomination committee comprises one non-executive Director namely Ms. Yim Kei Man, Carmen and two independent non-executive Directors, namely Mr. Shea Chun Lok, Quadrant and Mr. Fung Cheuk Nang, Clement. Mr. Shea Chun Lok, Quadrant is the chairman of the nomination committee.

The primary function of the nomination committee is to make recommendations to the Board regarding appointment of Directors and candidates to fill vacancies on the Board.

The Board adopted the board diversity policy in accordance with the requirement as set out in the CG Code. The Board recognizes the benefits of having a diverse Board and considers a number of factors which include but are not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service as to its composition. The nomination committee regularly monitors and reviews the implementation of the board diversity policy.

The nomination committee held 3 meetings during the Year to recommend the re-appointment of the Directors standing for re-election at the annual general meeting, to review and discuss the composition of the Board of the Company, to identify and nominate candidates for appointment to the Board such that it has the relevant skills, knowledge and experience and to assess the independency of independent non-executive Directors.

The attendance records of individual committee members are set out below:

Directors:	Number of Meetings attended/eligible to attend
Mr. Shea Chun Lok, Quadrant	3/3
Mr. Fung Cheuk Nang, Clement	3/3
Ms. Yim Kei Man, Carmen (<i>appointed on 27 June 2025</i>)	1/1
Mr. Chan Ka Ho, Vincent (<i>resigned on 27 June 2025</i>)	2/2

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- Reputation for integrity
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy
- Commitment in respect of available time and relevant interest
- The number of existing directorships and other commitments that may demand the attention of the candidate
- Requirement for the Board to have independent non-executive directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the GEM Listing Rules
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service
- Such other perspectives appropriate to the Company's business

BOARD DIVERSITY POLICY

The Company has a board diversity policy whereby it recognizes and embraces the benefits of a diversity of Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Company is committed to enhancing gender diversity at Board level. As at the date of this report, the Company has one female director representing 12.5% of the Board. The Company targets to maintain at least the current level of female representation on the Board. The Company will continue to strive to achieve an appropriate balance of gender diversity in the workforce as well as the Board according to business needs and future development so as to develop a pipeline of potential successors to the Board in the future.

Corporate Governance Report

During the Year and as at the date of this annual report, the Board comprises eight Directors. Three of them are independent non-executive Directors, thereby promoting critical review and control of the management process. The following tables further illustrate the diversity of the Board members as of the date of this annual report:

Name of Director	Age Group			
	30-39	40 to 49	50 to 59	60 or above
Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i>				✓
Mr. Yim Tsz Yu, Jeffrey	✓			
Mr. Yim Tsz Kit, Jacky		✓		
Ms. Yim Kei Man, Carmen	✓			
Mr. Wong Wai Tai			✓	
Mr. Shea Chun Lok, Quadrant			✓	
Mr. Fung Cheuk Nang, Clement		✓		
Mr. Lau Sun Tao, Gary		✓		
Mr. Chan Ka Ho, Vincent <i>(resigned on 22 August 2025)</i>		✓		

Name of Director	Electronics	Accounting and Finance	LED Lighting and Display	Property Investment	Watch and Clock
Mr. Yim Tsz Yu, Jeffrey			✓		
Mr. Yim Tsz Kit, Jacky			✓		
Ms. Yim Kei Man, Carmen				✓	
Mr. Wong Wai Tai		✓			
Mr. Shea Chun Lok, Quadrant		✓			
Mr. Fung Cheuk Nang, Clement	✓				
Mr. Lau Sun Tao, Gary					✓
Mr. Chan Ka Ho, Vincent <i>(resigned on 22 August 2025)</i>		✓			

For the purpose of implementation of the board diversity policy, the following measurable objectives were adopted:

1. at least one-third of the members of the Board shall be independent non-executive Directors;
2. at least one of the members of the Board shall have obtained accounting or other professional qualifications; and
3. gender diversity of the Board.

The Board has achieved the measurable objectives in the board diversity policy.

WORKFORCE DIVERSITY POLICY

The Board has adopted the workforce diversity policy of the Company (the “Workforce Diversity Policy”) effective from 27 June 2025. The Workforce Diversity Policy aims to set out the Company’s commitment and approach to achieving diversity and inclusion within the workforce. The Group seeks to diversify its workforce across all levels by welcoming individuals of different expertise, cultures, backgrounds, genders, languages and experiences. All employees are provided with equal opportunities without discriminatory biases and are evaluated solely according to their capabilities, competencies and potentials. The Nomination Committee will review the Workforce Diversity Policy from time to time to ensure its effectiveness.

As at 31 December 2025, the Group had a total of around 60 employees. The gender ratio of male to female in the workforce (including senior management) is approximately 53% and 47% respectively. The Board is of the view that appropriate balance of gender diversity in workforce has been achieved taking into account the operational needs of the Group.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions specified in Code Provision A.2 of the CG Code, which include developing and reviewing the Company’s corporate governance policies and practices and making recommendations, the training and continuous professional development of the Directors and senior management, the Company’s policies and practices on compliance with legal and regulatory requirements (including the GEM Listing Rules) and the Company’s compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS’ TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to Code Provision C.1 of the CG Code, in order to ensure Directors’ contribution to the board remains informed and relevant, all Directors must participate in continuous professional development to develop and refresh their knowledge and skills for a proper understanding of the Company’s business, operations and governance policies and full awareness of their responsibilities under statute and common law, the GEM Listing Rules, legal and other regulatory requirements. Directors should provide a record of the continuous professional development they received to the Company. Each Director received induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the GEM Listing Rules and other relevant legal and regulatory requirements.

During the Year, all Directors received the continuous professional developments regarding the five topics under the requirement of 5.02G of the GEM Listing Rules which included reading materials, watching video and/or attending training course in relation to the required five topics.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct (the “Code of Conduct”) regarding securities transactions by the Directors. All Directors, after specific enquiries by the Company, confirmed to the Company their compliance with the Code of Conduct throughout the Year.



Corporate Governance Report

AUDITOR'S REMUNERATION

The remuneration paid/payable to the auditor of the Company during the Year is set out as follows:

Services rendered in 2025	HK\$'000
Statutory audit services	640

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibility to prepare financial statements for half and full financial year which give a true and fair view of the state of affairs of the Group.

COMPANY SECRETARY

Mr. Chan Ka Ho, Vincent is a financial controller and company secretary of the Company. His biographical details and professional qualifications are set out on page 13 of this report.

Mr. Chan has complied with all requirements relating to qualifications, experiences and training under Rule 5.14 of the GEM Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining good and effective risk management and internal controls of the Group.

During the Year, the Board, with the assistance of the audit committee, conducted a review of the effectiveness and adequacy of the Group's risk management and internal control systems, covering financial, operational, compliance control and risk management functions. To assist the audit committee to fulfill its responsibilities, the senior management has to identify, update and report the key risk areas which covered all aspects of corporate strategies, operation and finance to the Board.

The Group risk management and internal control system includes the setting up of a management structure with limits of authority and is designed to help the Group to achieve its business objectives, protects its assets against unauthorized use or disposition, ensures the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensures compliance with relevant laws and regulations. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate all risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

Risk management report and internal control report are submitted to the audit committee and the Board at least once a year. After reviewing the Group's risk management and internal control systems, the Board considers that the systems are effective and adequate for the Group as a whole. The Board further considers that (i) there was no material issue relating to the Group's risk management and internal controls, including financial, operational and compliance controls and risk management functions of the Group; and (ii) that there were adequate staff with appropriate and adequate qualifications and experience, resources for accounting, internal audit and financial reporting functions, and adequate training programmes had been provided during the Year.



PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance (“SFO”) and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS’ MEETINGS

According to articles 10.6 to 10.11 of the Company’s articles of association, one or more Shareholders (the “Requisitionists”), holding not less than 10% of the total voting rights of the Company can convene an extraordinary general meeting (the “EGM”) by depositing a requisition (the “Written Requisition”) in writing to the Directors or the Company Secretary for the purpose of requiring the convening of the EGM. The Written Requisition must state the purposes of the meeting and not more than 1,000 words and must be signed by the Requisitionists. The Written Requisition shall be deposited to the Company’s principal place of business at 15/F., S.A.S. Tower, 55 Lei Muk Road, Kwai Chung, New Territories, Hong Kong and marked for the attention of the Board of Directors/Company Secretary. The Written Requisition will be verified with the Company’s Hong Kong branch share registrar and upon their confirmation that the Written Requisition is proper and in order, the Board will convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the Shareholders.

If the Board does not within 21 days from the date of deposit of the Written Requisition proceed duly to convene the meeting to be held, the Requisitionists may convene the general meeting in the same manner within three months after the end of that period and all reasonable expenses incurred by the Requisitionists as a result of the failure of the Board in convening the meeting shall be reimbursed to them by the Company.

Shareholders may also use this same method to put forward proposals for the general meeting.

COMMUNICATION WITH SHAREHOLDERS

To foster effective communications with its shareholders, the Company provides extensive information in its annual report and press release. Also, the Group disseminates information relating to its business electronically through its website at <http://www.vvtholdings.com>. The Company regards the annual general meeting as an important event as it provides an important opportunity for direct communications between the Board and the Shareholders.

All Directors and senior management will make an effort to attend. All Shareholders will be given at least 21 days’ notice of the annual general meeting and are encouraged to attend the annual general meeting and other Shareholders’ meetings.



Directors' Report

The directors present their annual report and the audited consolidated financial statements of V & V Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company and the activities of its principal subsidiaries are set out in Note 30 to the consolidated financial statements.

RESULT AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 40.

The directors do not recommend the payment of a final dividend (2024: Nil). The Company ensures necessary internal funding for developing business. The Board will continue to review the dividend policy annually in view of financial performance and expansion progress.

Dividend Policy

The Company has adopted a dividend policy, pursuant to which the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. According to the dividend policy, subject to compliance with applicable rules and statutory regulations (including Cayman Islands laws) and the articles of association of the Company, the Company will pay dividend to the shareholders.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia:

- overall business conditions and strategies;
- our financial results;
- our capital requirement;
- our retained earnings and distributable reserves;
- taxation considerations; and
- any other factors our Board may deem relevant.

In addition to cash, dividends may be distributed in the form of shares. The dividend policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

BUSINESS REVIEW

Business review of the Group for the year ended 31 December 2025 has been stated in the Chairman's Statement on pages 5 to 7 of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's largest supplier and five largest suppliers taken together accounted for 27.4% and 82.5%, respectively, of the Group's total purchases for the Year.

The aggregate sales attributable to the Group's largest customer and five largest customers taken together accounted for 8.9% and 29.9%, respectively, of the Group's total sales for the Year.

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the Group's five largest suppliers or customers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the Year in the share capital of the Company are set out in Note 24 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2025, calculated in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, as is represented by share premium, special reserve and accumulated losses in the aggregate amount of HK\$10,099,000 (2024: HK\$10,210,000) as disclosed in Note 29 to the consolidated financial statements.



Directors' Report

ANALYSIS OF KEY FINANCIAL PERFORMANCE INDICATORS

For details of the key financial performance indicators to the performance the Group's business, please refer to "Management Discussion and Analysis" on page 8 of this report.

ENVIRONMENTAL PROTECTION

The Group is committed to acting in an environmentally responsible manner. Using LED lamps for offices and warehouse premises, environmentally friendly paper to print annual and interim reports, recycling and use of eco-friendly stationery, plus a series of measures to save paper and energy, resulted in more efficient use of resources, as well as reduction of waste.

COMPLIANCE WITH REGULATIONS

There was no material breach of or non-compliance with the applicable laws and regulations such as the Hong Kong Companies Ordinance (Cap. 622), Listing Rules, and other applicable local laws and regulations in various jurisdictions.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Remuneration packages are generally structured with reference to prevailing market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus.

Relationship is the fundamentals of business. The Group fully understands this principal and thus maintains close relationship with the customers to fulfill their immediate and long-term need.

The Group encompasses working relationships with suppliers to meet our customer's needs in an effective and efficient manner. The Group works closely and well-communicates with its suppliers before the commencement of a project.

PRINCIPAL RISK AND UNCERTAINTIES FACING THE COMPANY

The business operation of the Group is subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

DIRECTORS

The directors of the Company during the Year and up to the date of this report were:

Executive Directors

Dr. Yim Yuk Lun, Stanley *SBS BBS JP*

Mr. Yim Tsz Yu, Jeffrey

Mr. Chan Ka Ho, Vincent (*resigned on 22 August 2025*)

Non-Executive Directors

Mr. Yim Tsz Kit, Jacky (*Chairman*)

Ms. Yim Kei Man, Carmen

Mr. Wong Wai Tai

Independent Non-Executive Directors

Mr. Shea Chun Lok, Quadrant

Mr. Fung Cheuk Nang, Clement

Mr. Lau Sun Tao, Gary

Pursuant to the Articles 14.4 to 14.9 of the Company's Articles of Association, Mr. Yim Tsz Yu, Jeffrey, Mr. Yim Tsz Kit, Jacky and Mr. Shea Chun Lok, Quadrant shall retire by rotation at the annual general meeting. All the retiring Directors, being eligible, will offer themselves for re-election at the annual general meeting.

DIRECTORS' SERVICE CONTRACTS

Dr. Yim Yuk Lun, Stanley *SBS BBS JP*, an executive Director of the Company, Mr. Yim Tsz Kit, Jacky, the Chairman and a non-executive Director of the Company, Ms. Yim Kei Man, Carmen and Mr. Wong Wai Tai, non-executive Directors of the Company have entered into a letter of appointment commencing from 1 October 2025, 4 September 2025, 1 July 2025 and 1 December 2025 respectively for an initial term of one year, during which either party may terminate the service agreement by giving the other not less than three months written notice served by the executive Director or the non-executive Directors or the Company.



Directors' Report

Mr. Yim Tsz Yu, Jeffrey, an executive Director of the Company, has entered into a service agreement with the Company commencing from 1 February 2026 for an initial term of one year, during which either party may terminate the service agreement by giving the other not less than three months written notice served by the executive Director or the Company.

Mr. Shea Chun Lok, Quadrant, Mr. Fung Cheuk Nang, Clement and Mr. Lau Sun Tao, Gary, independent non-executive Directors of the Company have entered into a letter of appointment for a term of one year commencing from 21 December 2025, 21 December 2025 and 31 December 2025 respectively and termination by not less than three months' notice in writing served by the independent non-executive Directors or the Company.

Saved as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules:

Long positions in shares

Ordinary shares of HK\$0.1 each of the Company

Name of Directors/ chief executive	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i> ("Dr. Yim") (Note)	Beneficial owner and interest in controlled corporation	98,865,305	68.01
Mr. Wong Wai Tai	Beneficial owner	500,000	0.34
Mr. Fung Cheuk Nang, Clement	Beneficial owner	60,000	0.04
Mr. Yim Tsz Kit, Jacky	Beneficial owner	30,000	0.02
<i>Chief executive:</i>			
Mr. Chan Ka Ho, Ken	Beneficial owner	115,000	0.08

Note:

Dr. Yim *SBS BBS JP* beneficially owns 12,936,858 shares and is the controlling shareholder of S.A.S. Dragon. He is therefore under the SFO deemed to be interested in 85,928,447 shares held by S.A.S. Investment Company Limited ("S.A.S. Investment") which is a wholly-owned subsidiary of S.A.S. Dragon.

Equity-settled share option scheme of the Company

Pursuant to a written resolution of the shareholders of the Company dated 23 December 2015, the share option scheme (the "2015 Scheme") was approved and adopted. The Scheme was established for the purpose of providing incentives or rewards for the contribution of Directors of the Company and the Eligible Persons, and will expire on 22 December 2025. Under the 2015 Scheme, the Directors of the Company may at their discretion grant options to the Eligible Persons.

Options granted must be taken up within 14 days of the date of grant. The overall limit on the number of shares which shall be issued upon exercise of all outstanding options granted, and yet to be exercised, under the 2015 Scheme, and other share option schemes of the Company shall not exceed 30% of the shares in issue from time to time. The total number of shares of the Company in respect of which options may be granted under the 2015 Scheme must not in aggregate exceed 60,000,000 shares (representing 10% of the total nominal value of the share capital of the Company in issue) immediately following completion of the Placing. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules.



Directors' Report

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the Directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company as consideration for the grant. The exercise price is determined by the Directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

During the year ended 31 December 2025, no share option has been granted under the 2015 Scheme.

As at the date of this report, save as otherwise approved by shareholders of the Company, the maximum number of shares available for issue under options which may be granted is 6,000,000, representing approximately 4.13% of the number of issued shares of the Company.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme as disclosed above, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme as disclosed above, at no time during the Year was the Company, any of its holding companies, fellow subsidiaries or subsidiaries, a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, the following persons (not being the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:



Long positions in shares

Ordinary shares of HK\$0.1 each of the Company

Name of shareholders	Capacity	Number of issued ordinary shares held	Percentage of issued share capital of the Company
S.A.S. Dragon (Note)	Interest in controlled corporation	85,928,447	59.11
S.A.S. Investment (Note)	Beneficial owner	85,928,447	59.11
Vertex Value Limited	Beneficial owner	7,624,700	5.25
Victory Echo Holdings Limited	Beneficial owner	7,624,700	5.25

Note:

S.A.S. Dragon is deemed to be interested in the 85,928,447 shares held by S.A.S. Investment, a wholly owned subsidiary of S.A.S. Dragon.

PERMITTED INDEMNITY PROVISION

During the Year and as at the date of this report, a qualifying indemnity provision made by the Company for the benefit of the Directors of the Company is in force.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

DIRECTORS' INTEREST IN A TRANSACTION, ARRANGEMENT AND CONTRACTS OF SIGNIFICANCE

No transaction, arrangement and contract of significance to which the Company, its holding companies, fellow subsidiaries or subsidiaries was a party and in which a Director or a connected entity of a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

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

During the Year, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.



Directors' Report

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board of Directors on the basis of their merit, qualifications, competence and job nature.

The emoluments of the Directors of the Company are recommended by the Remuneration Committee and are decided by the Board, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to eligible employees, details of the scheme is set out in note 32 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, up to the date of this report, there is sufficient public float of 25% of the Company's issued shares as required under the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

TAX RELIEF

The Company is not aware of any relief on taxation available to the shareholders by reason of their holdings of the shares. If the shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

CONNECTED TRANSACTIONS

Saved as disclosed in Note 28 to the consolidated financial statements which is fully exempted from Chapter 20 of the GEM Listing Rules, the Company was not aware of any other related party transactions which constitute a connected transaction of the Group, nor are there any connected transactions that need to be disclosed in this annual report under the GEM Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

USE OF PROCEEDS FROM THE LISTING

On 7 January 2016, the Company has offered 150,000,000 shares for subscription by way of placing and raised net proceeds of approximately HK\$30 million ("IPO Net Proceeds").

The change of use of IPO Net Proceeds was approved by the Board of Directors of the Company on 15 March 2018 and further change in use of IPO Net Proceeds was approved by the Board of Directors of the Company on 28 December 2021.

In 2024, the Board has resolved to extend the expected timeline for the full utilisation of the unutilised IPO Net Proceeds from the original period of 2021–2024 to a revised period of 2025–2027.



The followings table sets a summary of the utilization of the IPO Net Proceeds.

Uses	Original allocation as stated in the Prospectus (HK\$ million)	Revised allocation as disclosed in 2017 Annual Report (HK\$ million)	Further revised	Actual use of		Expected timeline of full utilisation of the balance
			allocation of unutilised IPO Net Proceeds as at 31 December 2022 (HK\$ million)	Net Proceeds as at 31 December 2025 (HK\$ million)	Unutilised as at 31 December 2025 (HK\$ million)	
Upgrading the Group's Enterprise Resource Planning ("ERP") system	4.6	4.6	-	0.7	3.9	By end of 2027
Expanding the Group's Electronic Learning Aid (ELA) business by engaging in:						
- Research and development staff expenses	2.5	2.5	-	2.5	-	N/A
- Equipment purchases	8.7	8.7	(7.5)	1.2	-	N/A
	11.2	11.2	(7.5)	3.7	-	
Expanding the Group's product range by engaging in:						
- Car infotainment	2.8	2.8	-	2.8	-	N/A
- Drones Wi-Fi Transmission	2.8	2.8	-	2.8	-	N/A
- Artificial Intelligence and Internet-of-Things	-	5.6	-	5.6	-	N/A
- Development of Metaverse hardware	-	-	7.5	2.9	4.6	By end of 2027
- Others	5.6	-	-	-	-	N/A
	11.2	11.2	7.5	14.1	4.6	
General working capital	3.0	3.0	-	3.0	-	
Total	30.0	30.0	-	21.5	8.5	



Directors' Report

AUDITOR

On 26 September 2024, BDO Limited (“BDO”) has resigned as the auditor of the Company and JFY CPA Limited (“JFY”) has been appointed as the new auditor of the Company to fill the causal vacancy following the resignation of BDO. The annual consolidated financial statements of the Group for the years ended 31 December 2024 and 31 December 2025 have been audited by JFY. JFY will retire and, being eligible, offer itself for re-appointment as auditor of the Company at the forthcoming annual general meeting. Save as disclosed, there has been no change in the auditor of the Company in any of the preceding three years.

Signed on behalf of the Board

Mr. Yim Tsz Kit, Jacky

Chairman

Hong Kong, 20 March 2026



JFY CPA Limited
Certified Public Accountants
灼見會計師事務所有限公司

JFY CPA Limited
Unit 1709-11, 17/F,
Tower 2, The Gateway, Harbour City
25 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

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海港城港威大廈
第二座17樓1709-11室

TO THE SHAREHOLDERS OF V & V TECHNOLOGY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of V & V Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 40 to 103, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Independent Auditor's Report

KEY AUDIT MATTER (Continued)

Estimated allowance of inventories

We identified the estimated allowance of inventories as a key audit matter due to the estimation and assumptions made by the management in identifying the obsolete and slow-moving inventory items, and estimating the allowance of inventories.

Referring to Note 4 on material accounting policy information, Note 5 on key sources of estimation uncertainty and Note 16 to the consolidated financial statements, the directors of the Company review inventories on a product-by-product basis at the end of the reporting period to identify obsolete and slow-moving inventory items based on the inventories ageing analysis and determine allowance of inventories by reference to net realisable value of the inventories. Net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sales. The management estimates the net realisable value for inventories based primarily on the current market demand, latest selling prices and historical experiences on selling products with similar nature. As at 31 December 2025, the carrying value of inventories was HK\$139,165,000 (net of allowance of HK\$1,209,000).

Our response:

Our procedures in relation to evaluating the appropriateness of estimated allowance of inventories included:

- Understanding the design and implementation of internal control over how the management identifies obsolete and slow-moving inventory items, and estimating the allowance of inventories as at 31 December 2025;
- Testing the accuracy of the inventories ageing analysis as at 31 December 2025, on sample basis;
- Assessing the reasonableness of the net realisable value of inventories and allowance of inventories estimated by the management;
- Tracing the latest selling prices to the sales invoices, on sample basis; and
- Evaluating the historical accuracy of the allowance of inventories estimated by the management.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JFY CPA Limited

Certified Public Accountants

Lam Sau Fung

Practising certificate no. P05147

Hong Kong, 20 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	922,570	960,488
Cost of sales		(890,986)	(934,311)
Gross profit		31,584	26,177
Other income		2,619	2,849
Other gain (loss)		101	(469)
Reversal of impairment losses under expected credit loss model	8	156	1,246
Distribution costs		(7,116)	(7,919)
Administrative expenses		(16,137)	(15,317)
Finance costs	7	(7,732)	(9,684)
Profit (loss) before taxation	8	3,475	(3,117)
Income tax expense	11	(4)	(69)
Profit (loss) for the year		3,471	(3,186)
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations:			
– subsidiaries		1,952	(2,706)
Other comprehensive income (expense) for the year		1,952	(2,706)
Total comprehensive income (expense) for the year		5,423	(5,892)
Profit (loss) per share (HK cents)			(Restated)
– basic	13	2.39	(3.06)
– diluted		2.39	(3.06)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current Assets			
Property, plant and equipment	14	1,265	436
Club membership	15	266	266
		1,531	702
Current Assets			
Inventories	16	139,165	103,835
Trade and other receivables and prepayments	17	150,249	136,295
Debt instruments at fair value through other comprehensive income	18	6,346	26,499
Tax recoverable		–	30
Amounts due from related companies	22	2,370	4,191
Restricted/pledged bank deposits	19(a)	11,700	29,040
Bank balances and cash	19(b)	69,303	33,955
		379,133	333,845
Current Liabilities			
Trade and other payables	20	118,672	91,673
Contract liabilities	21	13,815	3,338
Amounts due to related companies	22	1,111	667
Tax payable		84	92
Bank borrowings	23	153,656	151,164
		287,338	246,934
Net Current Assets		91,795	86,911
Net Assets		93,326	87,613
Capital and Reserves			
Share capital	24	14,536	14,536
Reserves		78,790	73,077
TOTAL EQUITY		93,326	87,613

The consolidated financial statements on pages 40 to 103 were approved and authorised for issue by the Board of Directors on 20 March 2026 and are signed on its behalf by

Dr. Yim Yuk Lun, Stanley SBS BBS JP
Director

Mr. Yim Tsz Yu, Jeffrey
Director

Consolidated Statement of Changes In Equity

For the year ended 31 December 2025

	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Special reserve HK\$'000 (Note ii)	Translation reserve HK\$'000 (Note iii)	Shareholder's contribution Reserve HK\$'000 (Note iv)	Deemed Contribution reserve HK\$'000 (Note v)	Accumulated losses HK\$'000	Total HK\$'000
As at 1 January 2024	9,691	87,909	25,000	(68)	448	-	(53,698)	69,282
Loss for the year	-	-	-	-	-	-	(3,186)	(3,186)
Exchange differences arising on translation of foreign operations – subsidiaries	-	-	-	(2,706)	-	-	-	(2,706)
Total comprehensive expense for the year	-	-	-	(2,706)	-	-	(3,186)	(5,892)
Deemed contribution	-	-	-	-	-	793	-	793
Issue of new shares upon rights issue, net (Note 24)	4,845	18,585	-	-	-	-	-	23,430
As at 31 December 2024 and 1 January 2025	14,536	106,494	25,000	(2,774)	448	793	(56,884)	87,613
Profit for the year	-	-	-	-	-	-	3,471	3,471
Exchange differences arising on translation of foreign operations – subsidiaries	-	-	-	1,952	-	-	-	1,952
Total comprehensive income for the year	-	-	-	1,952	-	-	3,471	5,423
Deemed contribution	-	-	-	-	-	290	-	290
As at 31 December 2025	14,536	106,494	25,000	(822)	448	1,083	(53,413)	93,326

Notes:

- (i) The share premium of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued, net of share issue costs.
- (ii) The special reserve represents the difference between the nominal amount of the share capital of V & V Technology Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation completed on 7 December 2015.
- (iii) The translation reserve comprises exchange differences relating to the translation of the financial statements of the foreign operations of the Group from their functional currency to the Group's presentation currency which is recognised directly in other comprehensive income and accumulated in the translation reserve.
- (iv) Shareholder's contribution reserve represents capital contribution arising from the share options granted to the employees of the Group under the share option scheme of the intermediate holding company, S.A.S. Dragon Holdings Limited ("S.A.S. Dragon") in prior years.
- (v) Deemed contribution reserve represents deemed contribution arising from the leases for office premises and warehouses provided by the subsidiaries of S.A.S. Dragon at nil cash consideration.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Profit (loss) before taxation		3,475	(3,117)
Adjustments for:			
Depreciation of property, plant and equipment	8	256	191
Gain on disposal of property, plant and equipment	8	–	(11)
Finance costs	7	7,732	9,684
Interest income	8	(692)	(1,586)
Reversal of impairment losses under expected credit loss model – trade receivable	8	(156)	(1,246)
Reversal of provision for allowance for inventories, net Non-cash item	8 8(a)	(6,977) 290	(5,726) 793
Operating cash flows before movements in working capital		3,928	(1,018)
(Increase) decrease in inventories		(28,353)	11,575
Increase in trade and other receivables and prepayments		(13,798)	(16,737)
Decrease (increase) in debt instruments at fair value through other comprehensive income		20,153	(15,451)
Decrease (increase) in amounts due from related companies		1,821	(4,191)
Increase (decrease) in trade and other payables		26,999	(30,851)
Increase (decrease) in contract liabilities		10,477	(2,724)
Increase in amounts due to related companies		444	58
Cash generated from (used in) operations		21,671	(59,339)
Profits Tax refunded (paid)		29	(13)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		21,700	(59,352)
INVESTING ACTIVITIES			
Withdrawal of restricted/pledged bank deposit		17,340	–
Interest received		692	1,586
Purchase of property, plant and equipment	14	(1,073)	(231)
Proceeds from disposal of property, plant and equipment		–	185
NET CASH GENERATED FROM INVESTING ACTIVITIES		16,959	1,540

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES			
Repayment of bank borrowings	31(a)	(645,066)	(616,173)
Interest paid		(7,732)	(9,684)
New bank borrowings raised	31(a)	647,558	649,819
Transaction costs incurred upon rights issue	24	–	(800)
Proceeds from issue of new shares upon rights issue	24	–	24,230
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES		(5,240)	47,392
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		33,419	(10,420)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		33,955	47,191
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,929	(2,816)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		69,303	33,955
Analysis of the balances of cash and cash equivalents:			
Short term bank deposit		107	3,972
Bank balances		69,034	29,367
Cash on hand		162	616
	19	69,303	33,955

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies ACT, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of placing on 7 January 2016. Its immediate holding company is Unimicro Limited (a private limited company incorporated in the British Virgin Islands) and its intermediate holding company is S.A.S. Dragon (incorporated in Bermuda with limited liability and listed on the Stock Exchange). Its ultimate controlling shareholder of the Company is Dr. Yim Yuk Lun, Stanley *SBS BBS JP*, who is also an executive director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in Note 30.

On 23 May 2024, the English name of the Company has been changed to “V & V Technology Holdings Limited” from “Hi-Level Technology Holdings Limited” and the dual foreign name in Chinese of the Company has been changed to “時騰科技控股有限公司” from “揚宇科技控股有限公司”.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 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 an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

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 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements 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 Group is in the process of assessing the impact of these new and amendments to HKFRS Accounting Standards. Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements upon effective of HKFRS 18*) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the 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 consolidated financial statements.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the material accounting policy information set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

(c) Functional and presentation currencies

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the functional currency of the Company, United States dollars (“US\$”). The directors of the Company consider that presenting the consolidated financial statements in HK\$ is preferable when monitoring the performance and financial position of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure, or rights, to variable returns from the investee, and (iii) the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(c) Property, plant and equipment

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation less their expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful lives are as follows:

Leasehold improvements	20% – 40% or over the term of the relevant lease, whichever is shorter
Furniture and fixtures	20%
Motor vehicles	33%
Office equipment	20% – 33%

An asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(i) Financial assets

Financial assets (unless it is a trade receivable without a significant financing component and debt instrument at FVTOCI) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases or sales of financial assets are recognised and derecognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established generally by regulation or convention in the marketplace concerned.

Classification and subsequent measurement of financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its financial assets:

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

(i) Financial assets (Continued)

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVTOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt instruments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade and other receivables, debt instruments at FVTOCI, amounts due from related companies, restricted/pledged bank deposits and bank balances and cash, which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. ECL are measured on either of the following bases:

- 12-month ECL: This is ECL that will result from possible default events within the 12 months after the reporting date; and
- Lifetime ECL: this is ECL that will result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group measures loss allowance for trade receivables and debt instruments at FVTOCI using HKFRS 9 simplified approach and has calculated ECL based on lifetime ECL. Except for those which had been determined as credit-impaired which are assessed individually, both trade receivables and debt instruments at FVTOCI are grouped and are assessed collectively.

For other financial assets, ECL measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and including forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Significant increase in credit risk (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

The Group considers a financial asset to be credit-impaired when:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt instruments at FVTOCI that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in "FVTOCI reserve (recycling)".

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables and debt instruments at FVTOCI are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, amounts due to related companies and bank borrowings are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

(iv) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(v) Derecognition

The Group derecognises a financial asset only when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

(v) Derecognition (Continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or has expired. The difference between the carrying amount of financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

(e) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using first-in first-out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(f) Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises, warehouses and carparks that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(g) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added taxes or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Sales of electronic products with the provision of independent design house services

Customers obtain control of the electronic products with the provision of independent design house services when the goods are delivered to and have been accepted. Revenue is thus recognised upon when the customers accepted the electronic products with the provision of independent design house services. There is generally only one performance obligation. Invoices are usually payable within 30 – 90 days.

Some of the Group's contracts with customers from the sale of electronic products with the provision of independent design house services provides customers a right of return. The right of return gives rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved. The application of the constraint on variable consideration increases the amount of revenue that will be deferred.

Contract liabilities

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(i) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised, provided that the deductible temporary differences do not arise from initial recognition of assets and liabilities in a transaction other than in a business combination that affects neither taxable profit nor the accounting profit. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(j) Foreign currencies

Transactions entered into by the group entities in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(j) Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as translation reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as translation reserve.

(k) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plans

Contributions to defined contribution retirement plans in Hong Kong and state-managed retirement benefit schemes in the Peoples' Republic of China (the "PRC") are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- Property, plant and equipment; and
- Club membership.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS Accounting Standards, in which case the impairment loss is treated as a revaluation decrease under that HKFRS Accounting Standards.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(m) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposit and highly liquid investments with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(o) Club membership

Club membership with indefinite useful lives is carried at cost less any subsequent accumulated impairment losses.

Club membership is tested for impairment at least annually, and whenever there is any indication that they may be impaired by comparing their carrying amounts with their recoverable amounts. If the recoverable amount of club membership is estimated to be less than its carrying amount, the carrying amount of the club membership is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

(p) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include (i) that person's children and spouse or domestic partner; (ii) children of that person's spouse or domestic partner; and (iii) dependents of that person or that person's spouse or domestic partner.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and further periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated allowance of inventories

The directors of the Company review the inventories on a product-by-product basis at the end of each reporting period to identify obsolete and slow-moving inventory items based on the inventories ageing analysis and determine allowance of inventories by reference to net realisable value of the inventories. Net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The management estimates the net realisable value for inventories based primarily on the current market demand, latest selling prices and historical experiences on selling products with similar nature. As at 31 December 2025, the carrying value of inventories was HK\$139,165,000 (2024: HK\$103,835,000), net of allowance of HK\$1,209,000 (2024: HK\$8,168,000).

Provision of ECL for trade receivables and debt instruments at FVTOCI

The Group measures ECL for all trade receivables and debt instruments at FVTOCI collectively. The loss rates are estimated by reference to the Group's historical default rates taking into consideration of forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and debt instruments at FVTOCI are disclosed in Notes 17, 18 and 26.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

	2025 HK\$'000	2024 HK\$'000
Type of goods or services		
Sales of electronic products with the provision of independent design house services	922,570	960,488
Geographical markets		
Chinese Mainland	640,541	620,962
Hong Kong	276,699	300,814
Taiwan	4,841	38,435
Others	489	277
Total	922,570	960,488
Timing of revenue recognition		
At a point in time	922,570	960,488

(ii) Performance obligations for contracts with customers

Sales of electronic products with the provision of independent design house services

The Group sells electronic products with the provision of design house services directly to customers. Revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location (delivery and accepted by the customer). The transportation services are a fulfilment of the performance obligation. The normal credit term is 30 to 90 days upon delivery.

Under the Group's standard contract terms, customers have a right to exchange for defective products within one month. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for payment received in advance from customer, where revenue has yet to be recognised. The Group's right to recover the product when customers exercise their right is recognised as a right to returned goods asset and a corresponding adjustment to cost of sales.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Sales of electronic products with the provision of independent design house services (Continued)

Contracts for sales of electronic products with the provision of independent design house services typically have a non-cancellable term in which the Group bills a portion of the contract sum in advance and the remaining when the good is delivered. All sales of electronic products with the provision of independent design house services are for periods of one year or less. As permitted under paragraph 121 of HKFRS 15, the transaction price for these contracts, to which the Group will be entitled to upon satisfying the remaining performance obligation is not disclosed.

Segment information

The executive directors of the Company have determined that the Group has only one operating and reportable segment throughout both years.

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses only on revenue analysis by geographical location of customers. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented other than entity-wide disclosures.

(i) Geographical information

The following is an analysis of the carrying amount of non-current assets by geographical area in which the assets are located:

	2025 HK\$'000	2024 HK\$'000
Chinese Mainland	324	421
Hong Kong	1,207	281
	1,531	702

(ii) Information about major customers

No customer individually contributed over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interests on bank borrowings	7,732	9,684

8. PROFIT (LOSS) BEFORE TAXATION

Profit (loss) for the year has been arrived at after charging (crediting):

	2025 HK\$'000	2024 HK\$'000
Directors' remuneration	1,431	1,585
Staff costs:		
Salaries and other allowances	11,730	11,516
Retirement benefit scheme contributions	1,740	1,756
	13,470	13,272
Total staff costs	14,901	14,857
Total staff costs included in:		
Cost of sales	1,495	1,777
Distribution costs	3,632	3,994
Administrative expense	9,774	9,086
Total staff costs	14,901	14,857
Cost of inventories recognised as an expense	883,590	922,030
Short-term leases expenses (Note a)	632	969
Auditor's remuneration	640	640
Net exchange (gain) loss	(101)	480
Depreciation of property, plant and equipment	256	191
Reversal of provision for allowance for inventories, net	(6,977)	(5,726)
Interest income*	(692)	(1,586)
Reversal of impairment losses under expected credit loss model – trade receivables (Note b)	(156)	(1,246)
Gain on disposal of property plant and equipment	–	(11)

* Included in other income.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. PROFIT (LOSS) BEFORE TAXATION (Continued)

Note:

- a) The Group leases a number of office premises, warehouses, and carparks in Hong Kong and the Chinese Mainland where it operates. The leases are fixed over the lease terms of 12 months or less from the commencement date and are classified as short-term leases. During the year ended 31 December 2025, the expense relating to the short-term leases of HK\$632,000 (2024: HK\$969,000) is recognised in profit or loss. Included in the amount is HK\$290,000 (2024: HK\$793,000) arising from a non-cash transaction with subsidiaries of the Company's intermediate holding company, S.A.S. Dragon.

During the years ended 31 December 2025 and 2024, V & V Technology Limited and 深圳時騰科技開發有限公司 (Shenzhen V & V Technology Development Limited for identification purpose only) (the "Tenants"), which are subsidiaries of the Company, and S.A.S. Investment Company Limited ("S.A.S. Investment") and 時捷電子科技(深圳)有限公司 ("時捷電子科技(深圳)") (the "Landlords"), which are the subsidiaries of S.A.S. Dragon, entered into several tenancy agreements pursuant to which the Landlords agreed to lease office premises and warehouses to the Tenants at considerations determined by the directors of the Company which is by reference to market rates. The lease expense has not been charged by the Landlords and is classified as a deemed contribution from S.A.S. Dragon in its capacity as an intermediate holding company of the Company. The transaction is a non-cash transaction and the expense relating to the short-term leases amounted to HK\$290,000 (2024:793,000).

The Group had total cash outflows for leases of HK\$342,000 in 2025 (2024: HK\$176,000). As at 31 December 2025 and 2024, there are no outstanding lease commitments relating to the office premises, warehouses and carparks in Hong Kong and the Chinese Mainland.

- b) Details of impairment assessment for the years ended 31 December 2025 and 2024 are set out in Note 26.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

	2025				
	Directors' fees	Salaries and other benefits	Performance related incentive payments	Retirement benefits scheme contributions	Total emoluments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors:					
Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i>	-	-	-	-	-
Mr. Yim Tsz Yu, Jeffrey (Note c)	-	480	80	15	575
Mr. Chan Ka Ho, Vincent (Note d)	-	424	-	12	436
Non-Executive Directors:					
Mr. Yim Tsz Kit, Jacky (<i>Chairman</i>)	-	-	-	-	-
Ms. Yim Kei Man, Carmen (Note e)	120	-	-	-	120
Mr. Wong Wai Tai	-	-	-	-	-
Independent Non-Executive Directors:					
Mr. Shea Chun Lok, Quadrant	100	-	-	-	100
Mr. Fung Cheuk Nang, Clement	100	-	-	-	100
Mr. Lau Sun Tao, Gary (Note f)	100	-	-	-	100
Chief Executive Officer:					
Mr. Chan Ka Ho, Ken	-	960	320	18	1,298
Total	420	1,864	400	45	2,729

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For the year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

	2024				
	Directors' fees	Salaries and other benefits	Performance related incentive payments (Note b)	Retirement benefits scheme contributions	Total emoluments
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive Directors:					
Dr. Yim Yuk Lun, Stanley <i>SBS BBS JP</i>	-	-	-	-	-
Mr. Wei Wei (Note g)	-	50	-	3	53
Mr. Yim Tsz Yu, Jeffrey (Note c)	-	410	80	15	505
Mr. Chan Ka Ho, Vincent (Note d)	-	300	100	9	409
Mr. Tong Sze Chung (Note h)	-	249	-	9	258
Non-Executive Directors:					
Mr. Yim Tsz Kit, Jacky (<i>Chairman</i>)	-	-	-	-	-
Ms. Yim Kei Man, Carmen (Note e)	60	-	-	-	60
Mr. Wong Wai Tai	-	-	-	-	-
Independent Non-Executive Directors:					
Mr. Shea Chun Lok, Quadrant	100	-	-	-	100
Mr. Fung Cheuk Nang, Clement	100	-	-	-	100
Mr. Tsoi Chi Ho, Peter (Note i)	100	-	-	-	100
Mr. Lau Sun Tao, Gary (Note f)	-	-	-	-	-
Chief Executive Officer:					
Mr. Chan Ka Ho, Ken	-	985	320	18	1,323
Total	360	1,994	500	54	2,908

Notes:

- (a) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive and independent non-executive directors' emoluments shown above were for their services as directors of the Company and the Group.
- (b) Performance related incentive payments were determined with reference to the Group's operating results and individual performance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

Notes: (Continued)

- (c) Mr. Yim Tsz Yu, Jeffrey was appointed as an executive director on 1 February 2024.
- (d) Mr. Chan Ka Ho, Vincent was appointed as an executive director on 1 July 2024 and resigned on 22 August 2025.
- (e) Ms. Yim Kei Man, Carmen was appointed as a non-executive director on 1 July 2024.
- (f) Mr. Lau Sun Tao, Gary was appointed as an independent non-executive director on 31 December 2024.
- (g) Mr. Wei Wei resigned as an executive director on 31 January 2024.
- (h) Mr. Tong Sze Chung resigned as an executive director on 1 July 2024.
- (i) Mr. Tsoi Chi Ho, Peter resigned as an independent non-executive director on 31 December 2024.

No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors waived or agreed to waive any emolument during both years.

10. EMPLOYEES' REMUNERATION

Of the five highest paid individuals in the Group, two (2024: two) were directors of the Company whose remuneration as directors are set out in Note 9 above. As the director, Mr. Chan Ka Ho, Vincent resigned as an executive director on 22 August 2025, his director's remuneration included in note 9 above was up to 22 August 2025. His salaries as an employee from 23 August 2025 to 31 December 2025 were included in the five highest paid individuals as below table. The remuneration of the remaining (2024: three) individuals are included in the following table:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	2,899	2,480
Retirement benefits scheme contributions	53	48
	2,952	2,528

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For the year ended 31 December 2025

10. EMPLOYEES' REMUNERATION (Continued)

The remunerations of the remaining three (2024: three) individuals were within the following band:

	2025 No. of employee	2024 No. of employee
Nil to HK\$1,000,000	2	2
HK\$1,000,000 to HK\$2,000,000	1	1

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
PRC Enterprise Income Tax ("EIT"):		
– Current tax	–	69
– Underprovision in prior years	4	–
	4	69

Hong Kong Profit Tax

The Hong Kong Profits Tax is calculated at the rate of 16.5% (2024:16.5%) on the estimated assessable profits arising in Hong Kong, except for the first HK\$2,000,000 of qualified entity's assessable profits is calculated at 8.25%, which is in accordance with the two-tiered profits tax rates regime with effect from the year of assessment 2018/19.

PRC Enterprise Income Tax

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the Group's PRC subsidiaries are subject to PRC EIT at the statutory rate of 25% for the years ended 31 December 2025 and 2024, except for the entity qualified as "Small Low-profit Enterprise" for which preferential tax treatments are granted under the EIT Law.

上海揚禹電子貿易有限公司 (V & V (Shanghai) Technology Limited for identification purpose only) was qualified as a Small Low-profit Enterprise and enjoyed a preferential tax rate of 20% for the years ended 31 December 2025 and 2024. In addition, in accordance with the notice of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small Low-Profit Enterprises, the subsidiary was also entitled to a 20% tax concession on 25% of its assessable profits for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. INCOME TAX EXPENSE (Continued)

PRC Enterprise Income Tax (Continued)

The income tax expense for the year can be reconciled to the profit (loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit (loss) before taxation	3,475	(3,117)
Tax at Hong Kong Profits Tax rate of 16.5%	573	(514)
Tax effect of expenses not deductible for tax purpose	220	185
Tax effect of income not taxable for tax purpose	(144)	(687)
Underprovision in respect of prior years	4	–
Utilisation of tax losses previously not recognised	(1,206)	(315)
Tax effect of tax losses not recognised	199	1,451
Effect of different tax rates of subsidiaries operating in other jurisdictions	358	(51)
Income tax expense for the year	4	69

As at 31 December 2025, the Group has unused tax losses of approximately HK\$125,491,000 (2024: HK\$129,377,000) that are available for offset against future assessable profits. No deferred tax asset has been recognised in respect of such tax losses due to unpredictability of future profit streams. All the tax losses may be carried forward indefinitely except for those amounting to HK\$8,280,000 (2024: HK\$12,307,000) arising from the PRC which will expire from 2026 to 2030.

As at 31 December 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of RMB3,357,000 (equivalent to HK\$3,723,000) (2024: RMB3,433,000 (equivalent to HK\$3,806,000)) that is subject to withholding taxes of the Company's subsidiary established in Chinese Mainland. In the opinion of the directors, the Group is in a position to control the timing of the reversal of the temporary differences by controlling the dividend policy of its subsidiaries and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with investment in subsidiary in the Chinese Mainland for which deferred tax liabilities have not been recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIVIDENDS

The board does not recommend the payment of a final dividend for the years ended 31 December 2025 and 2024.

13. PROFIT (LOSS) PER SHARE

The calculation of the basic profit (loss) per share is based on profit (loss) for the year attributable to equity holders of the Company, and the weighted average number of ordinary shares in issue during the year as follows:

	2025 HK\$'000	2024 HK\$'000
Profit (loss) for the year for the purpose of basic profit (loss) per share	3,471	(3,186)

	2025 No. of shares '000	2024 No. of shares '000 (Restated)
Number of shares: Weighted average number of ordinary shares for the purpose of basic profit (loss) per share	145,362	104,096

The weighted average number of ordinary shares for the purpose of basic profit (loss) per share for the year ended 31 December 2024 has been adjusted to reflect the effect of the share consolidation become effective on 22 May 2025, details as set out in Note 24(b).

There were no potential ordinary shares in issue for the years ended 31 December 2025 and 2024. Accordingly, the diluted profit (loss) per share presented is the same as the basic profit (loss) per share.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Office equipment HK\$'000	Total HK\$'000
COST					
As at 1 January 2024	309	567	524	4,335	5,735
Additions	231	–	–	–	231
Disposal	–	–	(250)	–	(250)
Exchange realignment	(38)	(11)	(9)	(41)	(99)
As at 31 December 2024 and 1 January 2025	502	556	265	4,294	5,617
Additions	–	–	1,008	65	1,073
Exchange realignment	1	(43)	4	(53)	(91)
As at 31 December 2025	503	513	1,277	4,306	6,599
ACCUMULATED DEPRECIATION					
As at 1 January 2024	32	537	309	4,272	5,150
Provided for the year	66	32	41	52	191
Elimination on disposal	–	–	(76)	–	(76)
Exchange realignment	11	(13)	(9)	(73)	(84)
As at 31 December 2024 and 1 January 2025	109	556	265	4,251	5,181
Provided for the year	100	2	118	36	256
Exchange realignment	(9)	(45)	4	(53)	(103)
As at 31 December 2025	200	513	387	4,234	5,334
NET BOOK VALUE					
As at 31 December 2025	303	–	890	72	1,265
As at 31 December 2024	393	–	–	43	436

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. CLUB MEMBERSHIP

	2025 HK\$'000	2024 HK\$'000
Golf club membership in the Chinese Mainland at cost	266	266

At the end of the reporting period, the club membership was tested for impairment by comparing its carrying amount with its recoverable amount. The directors of the Company determined that no impairment loss was necessary and is of the opinion that the club membership is worth at least its carrying amount.

16. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	140,374	112,003
Less: Net provision for inventories	(1,209)	(8,168)
	139,165	103,835

Movements in the provision for inventories are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of the year	8,168	13,998
Reversal of provision for allowance for inventories, net* (Note 8)	(6,977)	(5,726)
Exchange realignment	18	(104)
At end of the year	1,209	8,168

* Included in cost of sales.

Notes to the Consolidated Financial Statements

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17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 HK\$'000	2024 HK\$'000
Trade receivables (Note a)	107,260	114,887
Other receivables, deposits and prepayments (Note b)	43,811	22,378
Total trade and other receivables and prepayments	151,071	137,265
Less: allowance for expected credit losses (Note 26(b))	(822)	(970)
Net trade and other receivables and prepayments	150,249	136,295

Notes:

(a) Trade receivables

The Group allows credit period ranging from 30 days to 90 days which are agreed with each of its trade customers.

The following is an ageing analysis of trade receivables presented based on the invoice date at the end of each reporting period:

	2025 HK\$'000	2024 HK\$'000
1 – 30 days	60,156	55,753
31 – 60 days	26,766	38,623
61 – 90 days	11,123	11,947
91 – 180 days	5,523	7,593
181 – 365 days	2,885	22
Over 365 days	807	949
	107,260	114,887

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

Notes: (Continued)

(b) Other receivables, deposits and prepayments

	2025 HK\$'000	2024 HK\$'000
Prepayments	379	684
Advance to suppliers (Note (i))	22,794	3,945
PRC VAT receivable	1,339	–
Deposits	35	35
Deposits to suppliers (Note (ii))	5,694	5,694
Other receivables	13,570	12,020
	43,811	22,378

Notes:

- (i) Advance to suppliers represents prepayment to suppliers for purchase of goods.
- (ii) Deposits to suppliers represent guarantee deposits paid to suppliers for purchase of goods.
- (iii) Details of impairment assessment of trade and other receivables for the years ended 31 December 2025 and 2024 are set out in Note 26.

18. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
Trade receivables held for collecting contractual cash flows and factoring to banks	6,346	26,499

Details of impairment assessment of debt instruments at fair value through other comprehensive income as at 31 December 2025 and 2024 are set out in Note 26.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. RESTRICTED/PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

(a) Restricted/pledged bank deposits

	2025 HK\$'000	2024 HK\$'000
Bank deposits:		
– Restricted	11,700	–
– Pledged	–	29,040
	11,700	29,040

At as 31 December 2025, fixed bank deposits of USD1,500,000 (equivalent to HK\$11,700,000) were restricted by a bank for banking facilities granted to the Group.

At as 31 December 2024, fixed bank deposits of HK\$15,000,000 and USD1,800,000 (equivalent to HK\$14,040,000) were pledged to the banks as securities for bank borrowings granted to the Group as set out in Note 23.

The restricted/pledged bank deposits will be released upon the termination of banking facilities.

(b) Bank balances and cash

	2025 HK\$'000	2024 HK\$'000
Short term bank deposit	107	3,972
Bank balances	69,034	29,367
Cash on hand	162	616
Total bank balances and cash	69,303	33,955

As at 31 December 2024, the bank balances of the Group denominated in RMB amounted to approximately RMB584,000 (equivalent to HK\$619,000) (2025: nil), which were deposited with the banks and financial institution in the PRC. RMB is currently not a free convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The effective interest rates of short term bank deposits and bank balances ranged from 0.01% to 3.75% per annum (2024: ranged from 0.01% to 4.12% per annum) as at 31 December 2025.

For the years ended 31 December 2025 and 2024, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are remote and accordingly, no allowance for expected credit losses is provided. Details of impairment assessment of bank balances for the years ended 31 December 2025 and 2024 are set out in Note 26.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (Note (a))	114,518	87,952
Other payables and accruals (Note (b))	4,154	3,721
Total trade and other payables	118,672	91,673

Notes:

(a) Trade payables

The credit period on trade payables ranged from 22 days to 60 days.

The following is an ageing analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2025 HK\$'000	2024 HK\$'000
1 – 30 days	69,907	46,819
31 – 60 days	35,805	19,575
61 – 90 days	8,625	565
91 – 120 days	–	907
121 – 365 days	178	20,081
Over 365 days	3	5
	114,518	87,952

(b) Other payables and accruals

	2025 HK\$'000	2024 HK\$'000
Accrued expenses	2,533	2,470
Other payables	1,129	210
Temporary receipt	120	155
PRC other tax payables	372	886
	4,154	3,721

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
<i>Contract liabilities arising from:</i>		
Sales of electronic products with the provision of independent design house services	13,815	3,338

The contract liabilities mainly related to the advance considerations received from customers. As at 31 December 2025, the aggregated amount of transaction price allocated to performance obligations under the Group's existing contract is approximately HK\$13,815,000 (2024: HK\$3,338,000).

Movements in contract liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
Balance as at 1 January	3,338	6,062
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(3,337)	(5,676)
Increase in contract liabilities as a result of billing in advance of sales of electronic products with the provision of independent design house services, net	13,815	2,960
Exchange adjustment	(1)	(8)
Balance as at 31 December	13,815	3,338

Notes to the Consolidated Financial Statements

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22. AMOUNTS DUE FROM RELATED COMPANIES/TO A RELATED COMPANY

	2025 HK\$'000	2024 HK\$'000
Amounts due from related companies		
– S.A.S. Dragon (Note a)	628	142
– S.A.S. Microelectronics Company Limited ("S.A.S. Microelectronics") (Note b)	967	967
– SMartech Electronic Company Limited ("SMartech") (Note b)	760	100
– S.A.S. Semiconductor Company Limited ("S.A.S. Semiconductor") (Note c)	10	–
– Time Speed Technology Corporation ("Time Speed") (Note b)	5	2,982
	2,370	4,191

Notes:

- (a) S.A.S. Dragon is the intermediate holding company of the Company. The balance is unsecured, interest free with credit period of 120 days and denominated in HK\$, which is other than the functional currency of the relevant group entities.
- (b) S.A.S. Microelectronics, SMartech and Time Speed are subsidiaries of S.A.S. Dragon. The balances are unsecured, interest free with credit period of 30-120 days, 30-120 days and 30 days respectively, and denominated in HK\$, which is other than the functional currency of the relevant group entities.
- (c) S.A.S. Semiconductor is a subsidiary of S.A.S. Dargon. The balance is unsecured, interest fee, repayable on demand and denominated in HK\$, which is other than the functional currency of the relevant group entities.

	2025 HK\$'000	2024 HK\$'000
Amounts due to related companies		
– S.A.S. Electronic Company Limited ("S.A.S. Electronic") (Note a)	36	667
– S.A.S. Investment Company Limited ("S.A.S. Investment") (Note b)	1,007	–
– S.A.S. Lighting Company Limited ("S.A.S. Lighting") (Note b)	68	–
	1,111	667

Notes:

- (a) S.A.S. Electronic is a subsidiary of S.A.S. Dragon. The balance is unsecured, interest free with credit period of 60-120 days and denominated in HK\$, which is other than the functional currency of the relevant group entities.
- (b) S.A.S. Investment and S.A.S. Lighting are subsidiaries of S.A.S. Dragon. The balances are unsecured, interest free, repayable on demand and denominated in HK\$, which is other than the functional currency of the relevant group entities.

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23. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Unsecured bank borrowings:		
Invoice financing, export loan and import loan	153,656	123,650
Secured bank borrowings:		
Invoice financing (Note a)	–	27,514
	153,656	151,164
Carrying amount of bank borrowings repayable on demand or within one year (Note b)	153,656	151,164

Notes:

- (a) As at 31 December 2024, bank borrowings were secured by pledged bank deposits with carrying amounts of HK\$15,000,000 and US\$1,800,000 (equivalent to HK\$14,040,000) (Note 19(a)).
- (b) All the bank borrowings are repayable within a period not exceeding one year.

As at 31 December 2025, bank borrowings of US\$6,703,000 (equivalent to HK\$52,287,000), US\$7,568,000 (equivalent to HK\$59,033,000), US\$566,000 (equivalent to HK\$4,417,000) and US\$505,000 (equivalent to HK\$3,938,000) bear interests at Secured Overnight Financing Rate ("SOFR") plus 1.1%, 1.15%, 1.35% and 1.5%, respectively (2024: US\$7,110,000 (equivalent to HK\$55,455,000), US\$784,000 (equivalent to HK\$6,115,000), US\$3,527,000 (equivalent to HK\$27,514,000) and US\$1,796,000 (equivalent to HK\$14,011,000) at SOFR plus 1.1%, 1.3%, 1.4% and 1.5%, respectively).

As at 31 December 2025, bank borrowings of US\$2,584,000 (equivalent to HK\$20,158,000) and US\$1,772,000 (equivalent to HK\$13,822,000) bear interests at bank's funding rate of 1% and 1.2%, respectively (2024: US\$4,295,000 (equivalent to HK\$33,504,000) and US\$1,867,000 (equivalent to HK\$14,565,000) at bank's funding rate of 1% and 1.2%, respectively).

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24. SHARE CAPITAL

Details of movements of authorised and issued capital of the Company during the year are as follows:

	Par value	No. of ordinary shares '000	HK\$'000
Authorised:			
As at 1 January 2024, 31 December 2024 and 1 January 2025	HK\$0.01	2,000,000	20,000
Share consolidation (Note b)	–	(1,800,000)	–
As at 31 December 2025	HK\$0.1	200,000	20,000
Issued and fully paid:			
As at 1 January 2024	HK\$0.01	969,082	9,691
Issue of new shares upon rights issue (Note a)	HK\$0.01	484,541	4,845
As at 31 December 2024 and 1 January 2025	HK\$0.01	1,453,623	14,536
Share consolidation (Note b)	–	(1,308,261)	–
As at 31 December 2025	HK\$0.1	145,362	14,536

Notes:

- (a) On 8 October 2024, the Company announced a proposed rights issue on the basis of one (1) right share for every two (2) existing share in issue at a subscription price of HK\$0.05 per rights share. On 18 November 2024, the Company allotted and issued approximately 484,541,000 ordinary shares of HK\$0.05 each by way of rights issue and the number of issued share capital of the Company increased to 1,453,623,000. The net proceeds from the rights issue were approximately HK\$23,430,000.
- (b) Pursuant to an ordinary resolution passed by the shareholders of the Company at an annual general meeting on 20 May 2025, every ten issued and unissued existing shares of HK\$0.01 each in the share capital of the Company was consolidated into one share of HK\$0.1 each with effect from 22 May 2025 (the "Share Consolidation"). Immediately prior to the Share Consolidation, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 shares with par value of HK\$0.01 each, of which 1,453,623,111 then existing shares with par value of HK\$0.01 each were issued and fully paid or credited as fully paid. Immediately following the implementation of the Share Consolidation, the Company's authorised share capital becomes HK\$20,000,000 divided into 200,000,000 shares with par value of HK\$0.1 each, and its issued share capital becomes HK\$14,536,231 divided into 145,362,311 shares with par value of HK\$0.1 each.

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For the year ended 31 December 2025

24. SHARE CAPITAL (Continued)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

25. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings disclosed in Note 23, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The gearing ratio at the end of the reporting period was as follows:

	2025 HK\$'000	2024 HK\$'000
Total debt	153,656	151,164
Total equity	93,326	87,613
Total debt to equity ratio	165%	173%

The directors of the Company review the capital structure regularly. The directors consider that the Group has complied with externally imposed capital requirements. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends as well as the issue of new debt or the redemption of existing debts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Debt instruments at FVTOCI	6,346	26,499
Financial assets at amortised cost	209,110	198,852
Financial liabilities		
Amortised cost	270,414	239,993

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, debt instruments at FVTOCI, amounts due from related companies, restricted/pledged bank deposits, bank balances and cash, trade and other payables, amounts due to related companies and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The carrying amounts of the Group's monetary assets and monetary liabilities and intra-group balances that are denominated in currencies other than the functional currency of each group entities at the respective reporting date are as follows:

	Liabilities		Assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
HK\$	–	–	456	15,782
Renminbi ("RMB")	–	–	46	569
Intra-group balances				
RMB	1,319	94	124	298

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The Group currently does not have a foreign currency hedging policy. However, the directors of the Company will monitor foreign exchange exposure closely and consider the usage of hedging instruments when the need arises.

Sensitivity analysis

As at 31 December 2025, the outstanding foreign currency denominated monetary items includes only bank balances and cash and intra-group balances denominated in RMB amounted to HK\$46,000 and HK\$1,195,000 (2024: HK\$569,000 and HK\$204,000) respectively. No sensitivity analysis for the Group's sensitivity to changes in RMB against HK\$ is presented as the directors of the Company consider that the exposure to exchange fluctuation in respect of RMB is insignificant.

No sensitivity analysis for the Group's sensitivity to change in US\$, which is the functional currency of the Company and certain subsidiaries, against HK\$ is presented as HK\$ is currently pegged to US\$. The directors of the Company consider that the exposure to exchange fluctuation in respect of HK\$ is insignificant.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see Note 23 for details of the bank borrowings). The directors of the Company considered that the interest rate risk on variable-rate bank balances is insignificant. The Group currently does not have any interest rate hedging policy. The directors of the Company monitor the Group's exposure on ongoing basis and will consider hedging interest rate risk should the need arises.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of SOFR (2024: SOFR) arising from the Group's variable-rate bank borrowings.

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for its variable-rate bank borrowings. The analysis is prepared assuming the variable-rate bank borrowings at the end of the reporting period were outstanding for the whole year. For variable-rate bank borrowings, 50 basis points (2024: 50 basis points) increase or decrease are used. If interest rates have been 50 basis points (2024: 50 basis points) higher/lower for variable-rate bank borrowings and all other variables were held constant, the Group's profit result for the year ended 31 December 2025 would decrease/increase by approximately HK\$369,000 (2024: the Group's loss would increase/decrease by HK\$429,000).

Credit risk and impairment assessment

As at 31 December 2025 and 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables and debt instruments at FVTOCI arising from contracts with customers

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances collectively based on flow rate method. The flow rate method estimates ECL based on historically observed default rates over the expected life of the debtors, adjusted for forward-looking information. Based on the impairment assessment performed by the Group, the management of the Group considers the loss allowance for trade receivables and debt instruments at FVTOCI under simplified approach within lifetime ECL as at 31 December 2025 was HK\$822,000 and nil (2024: HK\$970,000 and nil) respectively.

The Group has concentration of credit risk as 12% (2024: 19%) and 41% (2024: 57%) of the total trade receivables and debt instruments at FVTOCI from the Group's largest customer and the five largest customers respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables/deposits

The Group assessed the impairment for its other receivables and deposits individually based on internal credit rating and ageing of these debtors which, in the opinion of the directors of the Company, have no significant increase in credit risk since initial recognition. ECL is estimated based on historical observed default rates over the expected life of debtors and is adjusted for forward-looking information that is available without undue cost or effort. Based on the impairment assessment performed by the Group, the management of the Group considers the loss allowance for other receivables and deposits within 12-month ("12m") ECL as at 31 December 2025 and 2024 was insignificant and accordingly no allowance for credit losses is provided.

Amounts due from related companies

The Group assessed the impairment for the amounts due from related companies individually based on the internal credit rating and ageing of these debtors which, in the opinion of the directors of the Company, have no significant increase in credit risk since initial recognition. ECL is estimated based on historical observed default rates over the expected life of debtors and is adjusted for forward-looking information that is available without under cost or effort. Based on the impairment assessment performed by the Group, the management of the Group considers the loss allowance for amounts due from related companies within "12m" ECL as at 31 December 2025 and 2024 was insignificant and accordingly no allowance for credit losses is provided.

Restricted/pledged bank deposits/bank balances

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Based on the impairment assessment performed by the Group, the management of the Group considers the loss allowance for bank balances within 12-month ECL as at 31 December 2025 and 2024 was insignificant and accordingly no allowance for credit losses is provided.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and debt instruments at FVTOCI	
			Other financial assets
Performing	The counterparty has a low risk of default and usually settle before due date	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
In default	There is evidence indicating that the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

- (i) The table below detail the credit risk exposure of the Group's financial assets at amortised costs and debt instruments at FVTOCI, which are subject to ECL assessment:

				2025	2024
	Notes	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount HK\$'000	Gross carrying amount HK\$'000
Debt instruments at FVTOCI	18	N/A	Lifetime ECL – not credit-impaired	6,346	26,499
Financial assets at amortised costs					
Trade receivables	17	N/A	Lifetime ECL – not credit-impaired	106,453	113,938
			Lifetime ECL – credit-impaired	807	949
				107,260	114,887
Deposits	17	Performing	12m ECL	35	35
Deposits to suppliers	17	Performing	12m ECL	5,694	5,694
Other receivables	17	Performing	12m ECL	13,570	12,020
Amounts due from related companies	22	Performing	12m ECL	2,370	4,191
Restricted/pledged bank deposits	19	Performing	12m ECL	11,700	29,040
Bank balances	19	Performing	12m ECL	69,141	33,339

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

- (ii) The following table provides information about the Group's exposure to credit risk and ECL for trade receivables and debt instruments at FVTOCL as at 31 December 2025 and 31 December 2024:

The estimated 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.

	2025					
	Trade receivables			Debt instruments at FVTOCL		
	Expected loss rate	Gross	Loss allowance	Expected loss rate	Gross	Loss allowance
		carrying amount			carrying amount	
%	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	
Current (not past due)	-	84,358	-	-	6,328	-
Up to 90 days past due	-	19,210	-	-	18	-
91 – 180 days past due	0.08	2,867	2	0.08	-	-
181 – 365 days past due	74.65	18	13	74.65	-	-
More than 365 days past due	100.00	807	807	100.00	-	-
		107,260	822		6,346	-

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

(ii) (Continued)

	2024					
	Trade receivables			Debt instruments at FVTOCL		
	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Current (not past due)	–	77,558	–	–	19,005	–
Up to 90 days past due	–	36,358	–	–	6,257	–
91 – 180 days past due	–	–	–	–	1,237	–
181 – 365 days past due	99.13	22	21	99.13	–	–
More than 365 days past due	100.00	949	949	100.00	–	–
		<u>114,887</u>	<u>970</u>		<u>26,499</u>	<u>–</u>

Movements in the loss allowance for trade receivables during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	970	2,230
Reversal of impairment loss during the year	(156)	(1,246)
Exchange realignment	8	(14)
As at 31 December	<u>822</u>	<u>970</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The directors of the Company monitor the utilisation of bank borrowings and ensure compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2025, the Group has available unutilised bank facilities of approximately HK\$291,440,000 (2024: HK\$194,642,000). Details of the bank borrowings are set out in Note 23.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the liquidity analysis for the Group's financial instruments is prepared based on the expected settlement date as the management considers that such basis is essential for an understanding of the timing of the expected cash flows of the contracts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

	Weighted average effective interest rate %	On demand or less than 1 month HK\$'000	1-3 months HK\$'000	3 months to 1 year HK\$'000	1-2 years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Carrying amount at 31 December HK\$'000
2025							
Trade and other payables		115,647	-	-	-	115,647	115,647
Amounts due to related parties		1,111	-	-	-	1,111	1,111
Bank borrowings	5.09*	42,594	96,516	15,123	-	154,233	153,656
		159,352	96,516	15,123	-	270,991	270,414
2024							
Trade and other payables		88,162	-	-	-	88,162	88,162
Amount due to a related party		667	-	-	-	667	667
Bank borrowings	5.74*	99,969	39,327	12,490	-	151,786	151,164
		188,798	39,327	12,490	-	240,615	239,993

* Weighted average effective interest rate determined based on the variable interest rate of outstanding bank borrowings at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table (Continued)

Bank borrowings with a repayment on demand clause are included in the “on demand or less than 1 month” time band in the above maturity analysis. As at 31 December 2025, the aggregate carrying amounts of these bank borrowings amounted to HK\$153,656,000 (2024: HK\$151,164,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows (estimated based on the interest rate at the end of the reporting period) are set out below.

	Weighted average effective interest rate %	On demand or less than 1 month HK\$'000	1-3 months HK\$'000	3 months- 1 year HK\$'000	1-2 years HK\$'000	Total contractual undiscounted cash flow HK\$'000	Carrying amount at HK\$'000
31 December 2025	5.09*	42,594	96,516	15,123	–	154,233	153,656
31 December 2024	5.74	99,969	39,327	12,490	–	151,786	151,164

* Weighted average effective interest rate determined based on the variable interest rate of outstanding bank borrowings at the end of the reporting period.

The amounts included above for variable interest rate non-derivative financial liabilities is subject to changes in variable interest rate differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair value at the end of each reporting period.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will perform the valuation by establishing the appropriate valuation techniques and inputs to the model.

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

Debt instruments at FVTOCI are measured at fair value at the end of each reporting period and their fair value classified as Level 3 in fair value hierarchy was HK\$6,346,000 as at 31 December 2025 (2024: HK\$26,499,000).

The fair value was estimated by discounted cash flow. Future cash flows are estimated based on the future cash collection discounted at a rate quoted by the bank that reflects the credit risk of various counterparties. The management considers the fluctuation in the discount rate would not result in a significant change in the fair value. The significant unobservable inputs include discount rate and collection or factoring period.

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Reconciliation of Level 3 fair value measurements

Details of reconciliation of financial assets at FVTOCI measured at Level 3 fair value measurement are set out as below:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	26,499	11,048
Additions	6,346	26,499
Settlements	(26,499)	(11,048)
As at 31 December	6,346	26,499

26. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

(ii) Fair value of financial instruments that are recorded at amortised cost

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to the short-term maturities of these assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. RETIREMENT BENEFIT PLANS

The Group participates a MPF Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance, a defined contribution scheme managed by an independent trustee. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at a rate of 5% specified in the rules, but subject to a cap of HK\$1,500. The only obligation of the Group with respect of MPF Scheme is to make the required contributions at rate specified under the scheme.

Under the MPF Scheme, no forfeited contributions are available to reduce the contribution payable in future years.

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute a certain percentage of their basic payroll to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions at rate specified under the schemes.

The total expenses of HK\$1,767,000 was recognised in profit or loss during the year ended 31 December 2025 (2024: HK\$1,792,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. RELATED PARTY TRANSACTIONS AND BALANCES

- (a) During the year, the Group entered into the following transactions with related companies for charging/(crediting):

Name of parties	Nature of transactions	2025	2024
		HK\$'000	HK\$'000
S.A.S. Dragon (note)	IT consultancy fee income*	(485)	(150)
Subsidiaries of S.A.S. Dragon			
– S.A.S. Investment (Notes 8(a))	Short-term lease expense	162	421
– S.A.S. Microelectronics	Logistic charge income*	–	(967)
	Sales of electronic products	(130)	–
– SMartech	Logistic charge income*	(660)	(100)
	Sales of electronic products	(76)	–
– S.A.S. Electronic	Logistic charge expense	–	240
	Logistic charge income*	(720)	–
	Sales of electronic products	(55)	–
– Time Speed	Sales of electronic products	(5)	(2,982)
– 時捷電子科技(深圳)(Note 8(a))	Short-term lease expense	128	372

Note:

S.A.S. Investment is a subsidiary of S.A.S. Dragon and an intermediate holding company of the Company. It held 85,928,000 (2024: 85,928,000) of the issued share capital of the Company as at 31 December 2025. Therefore, the Company is a subsidiary of S.A.S. Investment as S.A.S. Investment can exercise control over the Company.

* Included in other income.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Balance

Details of the outstanding balances with related companies are set out in the consolidated statement of financial position and in Note 22.

(c) The compensation paid to the key management personnel was as follows:

Compensation of key management personnel

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	4,303	3,619
Retirement benefits scheme contributions	80	81
	4,383	3,700

The remuneration of key management personnel is determined with regard to the performance of the individuals and market trends.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

The statement of financial position of the Company as at 31 December 2025 is as follows:

	2025 HK\$'000	2024 HK\$'000
Non-current Assets		
Amount due from a subsidiary	13,622	13,622
Investment in subsidiaries	10,887	10,887
	24,509	24,509
Current Assets		
Prepayments	56	201
Tax recoverable	–	30
Bank balances and cash	107	182
	163	413
Current Liabilities		
Accrued expense	–	172
Other payables	34	4
Tax payables	3	–
	37	176
Net Current Assets	126	237
Net Assets	24,635	24,746
Capital and Reserves		
Share capital	14,536	14,536
Share premium and reserves (Note)	10,099	10,210
Total Equity	24,635	24,746

Approved and authorised for issue by the Board of Directors on 20 March 2026 and signed on its behalf by

Dr. Yim Yuk Lun, Stanley SBS BBS JP
Director

Mr. Yim Tsz Yu, Jeffrey
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Note:

	Share premium HK\$'000	Special reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1 January 2024	87,909	99,229	(133,240)	53,898
Loss for the year	–	–	(62,273)	(62,273)
Issue of new shares upon rights issue (Note 24(a))	18,585	–	–	18,585
As at 31 December 2024 and 1 January 2025	106,494	99,229	(195,513)	10,210
Loss for the year	–	–	(111)	(111)
As at 31 December 2025	106,494	99,229	(195,624)	10,099

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2025 and 31 December 2024 are as follows:

Name of subsidiaries	Place and date of incorporation/ establishment/ operations	Issued and fully paid share capital/ registered capital	Attributable equity interest held by the Company Directly		Principal activities
			2025	2024	
V & V Technology (BVI) Limited	British Virgin Islands 24 September 2015	US\$1	100%	100%	Investment holding
V & V Technology Limited	Hong Kong 15 December 2000	HK\$25,000,000	100%	100%	Sales of electronic products with the provision of independent design house services
V & V Microelectronics Company Limited	Hong Kong 24 October 2001	HK\$500,000	100%	100%	Sales of electronic products
深圳時騰科技開發有限公司 Shenzhen V & V Technology Development Limited* (Note)	The PRC 8 September 2003	HK\$80,000,000	100%	100%	Sales of electronic products with the provision of independent design house services
上海揚禹電子貿易有限公司 V & V (Shanghai) Technology Limited* (Note)	The PRC 21 September 2007	HK\$6,000,000	100%	100%	Sales of electronic products

* English names for identification purpose only

Note: These companies are limited companies established in the PRC.

None of the subsidiaries had any debt securities outstanding at the end of both years or at any time during both years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities:

	Bank borrowings (Note 23) HK\$'000
As at 1 January 2024	117,518
Changes from cash flows:	
New bank loans raised	649,819
Repayment during the year	(616,173)
Interest paid	(9,684)
Total changes from financing cash flows:	<u>23,962</u>
Other changes:	
Interest expenses	<u>9,684</u>
As at 31 December 2024 and 1 January 2025	<u>151,164</u>
Changes from cash flows:	
New bank loans raised	647,558
Repayment during the year	(645,066)
Interest paid	(7,732)
Total changes from financing cash flows:	<u>(5,240)</u>
Other changes:	
Interest expenses	<u>7,732</u>
As at 31 December 2025	<u>153,656</u>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. EQUITY-SETTLED SHARE OPTION SCHEME OF THE COMPANY

Pursuant to a written resolution of the shareholders of the Company dated 23 December 2015, the share option scheme (the “2015 Scheme”) was approved and adopted. The Scheme was established for the purpose of providing incentives or rewards for the contribution of directors of the Company and the Eligible Persons, and will expire on 22 December 2025. Under the 2015 Scheme, the directors of the Company may at their discretion grant options to the eligible persons.

Options granted must be taken up within 14 days of the date of grant. The maximum number of shares of the Company in respect of which options may be granted under the 2015 Scheme shall not exceed 30% of the issued share capital of the Company at any point in time. The total number of shares of the Company in respect of which options may be granted under the 2015 Scheme must not in aggregate exceed 10% of the total nominal value of the share capital of the Company in issue immediately following completion of the rights issue and placing. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the GEM Listing Rules.

Options may be exercised during such period (including the minimum period, if any, for which an option must be held before it can be exercised) as may be determined by the directors of the Company (which shall be less than ten years from the date of issue of the relevant option). Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company as consideration for the grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company’s shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share.

During the years ended 31 December 2025 and 2024, no share option has been granted under this scheme.

Financial Summary

RESULTS

	For the year ended 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Revenue	2,847,359	1,732,213	1,202,816	960,488	922,570
(Loss) profit before taxation	(46,650)	(68,402)	3,980	(3,117)	3,475
Income tax expense	(304)	(143)	(38)	(69)	(4)
(Loss) profit for the year	(46,954)	(68,545)	3,942	(3,186)	3,471

ASSETS AND LIABILITIES

	At 31 December				
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	2025 HK\$'000
Total Assets	754,181	413,129	316,080	334,547	380,664
Total Liabilities	(650,696)	(385,926)	(246,798)	(246,934)	(287,338)
Net Assets and Total Equity	103,485	27,203	69,282	87,613	93,326