



Perfect Optronics Limited
圓美光電有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8311

2026

Interim Report

CHARACTERISTICS OF GEM ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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This report, for which the directors (the "Directors") of Perfect Optronics 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 of Hong Kong Limited (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.

HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$50.5 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK\$49.5 million).
- Loss attributable to equity holders of the Company for the six months ended 30 June 2026 amounted to approximately HK\$11.0 million (six months ended 30 June 2025: approximately HK\$12.6 million).
- The Board does not declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

FINANCIAL RESULTS

The board of directors (the "Board") of Perfect Optronics Limited (the "Company") hereby announces the unaudited consolidated financial results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 together with the comparative unaudited figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Note	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Revenue	4	50,533	49,516
Cost of sales		(42,870)	(40,525)
Gross profit		7,663	8,991
Other losses, net	6	(4,258)	(6,184)
Distribution and selling expenses		(4,324)	(4,323)
General and administrative expenses		(10,183)	(10,762)
Research and development expenses		(144)	(340)
Operating loss		(11,246)	(12,618)
Finance income		4	18
Finance costs	7	(40)	(63)
Finance costs, net		(36)	(45)
Loss before income tax	8	(11,282)	(12,663)
Income tax expense	9	—	(3)
Loss for the period		(11,282)	(12,666)
Other comprehensive (loss)/income:			
<i>Item that may be subsequently reclassified to income statement</i>			
Currency translation differences		(91)	(593)
<i>Items that will not be subsequently reclassified to income statement</i>			
Change in value of financial asset at fair value through other comprehensive income		(45)	225
Currency translation differences		—	(384)
Total comprehensive loss for the period		(11,418)	(13,418)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Loss for the period attributable to:			
Equity holders of the Company		(11,010)	(12,624)
Non-controlling interests		(272)	(42)
		(11,282)	(12,666)
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		(11,146)	(12,992)
Non-controlling interests		(272)	(426)
		(11,418)	(13,418)
Loss per share for loss attributable to equity holders of the Company for the period			
Basic and diluted (expressed in HK cents per share)	11	(0.74)	(0.85)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	395	475
Right-of-use assets	13	—	—
Intangible assets	14	5,322	5,322
Financial asset at fair value through other comprehensive income	3.4	90	135
		5,807	5,932
Current assets			
Inventories		2,034	4,369
Trade receivables, prepayments and other receivables	15	5,205	5,836
Financial asset at fair value through profit or loss	3.4	5,575	9,911
Cash and cash equivalents		12,943	18,244
		25,757	38,360
Total assets		31,564	44,292
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		14,837	14,837
Reserves		114,756	114,892
Accumulated losses		(105,168)	(94,158)
		24,425	35,571
Non-controlling interests		(5,397)	(5,125)
Total equity		19,028	30,446

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	Note	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Bank loan		1,904	2,297
Deferred income tax liabilities		22	22
		1,926	2,319
Current liabilities			
Trade and other payables	16	9,831	10,742
Bank loan		779	769
Lease liabilities	13	—	16
		10,610	11,527
Total liabilities		12,536	13,846
Total equity and liabilities		31,564	44,292

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Other reserves ¹ HK\$'000 (Unaudited)	Merger reserve HK\$'000 (Unaudited)	Revaluation reserve ² HK\$'000 (Unaudited)	Exchange reserve HK\$'000 (Unaudited)	Accumulated losses HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)		
Balance at 1 January 2026	14,837	465,738	67,349	(415,675)	(2,471)	(49)	(94,158)	35,571	(5,125)	30,446
Comprehensive loss										
Loss for the period	—	—	—	—	—	—	(11,010)	(11,010)	(272)	(11,282)
Other comprehensive loss										
Currency translation differences	—	—	—	—	—	(91)	—	(91)	—	(91)
Change in value of financial asset at fair value through other comprehensive income	—	—	—	—	(45)	—	—	(45)	—	(45)
Total other comprehensive loss	—	—	—	—	(45)	(91)	—	(136)	—	(136)
Total comprehensive loss	—	—	—	—	(45)	(91)	(11,010)	(11,146)	(272)	(11,418)
Balance at 30 June 2026	14,837	465,738	67,349	(415,675)	(2,516)	(140)	(105,168)	24,425	(5,397)	19,028
Balance at 1 January 2025	14,837	465,738	67,349	(415,675)	(1,238)	228	(81,666)	49,573	(4,163)	45,410
Comprehensive loss										
Loss for the period	—	—	—	—	—	—	(12,624)	(12,624)	(42)	(12,666)
Other comprehensive (loss)/income										
Currency translation differences	—	—	—	—	—	(593)	—	(593)	(384)	(977)
Change in value of financial asset at fair value through other comprehensive income	—	—	—	—	225	—	—	225	—	225
Total other comprehensive (loss)/income	—	—	—	—	225	(593)	—	(368)	(384)	(752)
Total comprehensive (loss)/income	—	—	—	—	225	(593)	(12,624)	(12,992)	(426)	(13,418)
Balance at 30 June 2025	14,837	465,738	67,349	(415,675)	(1,013)	(365)	(94,290)	36,581	(4,589)	31,992

- Other reserves include: (1) the difference between the share capital issued by the Company for acquisition of the subsidiaries pursuant to a reorganisation for the listing of the Company and the aggregate capital of the subsidiaries being acquired at the time of the reorganisation; and (2) the amount of the loan waived by the controlling shareholder upon completion of a common control combination.
- Revaluation reserve represents fair value reserve for financial asset at fair value through other comprehensive income.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Note	Six months ended 30 June	
		2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Net cash used in operating activities		(5,056)	(8,423)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		10	—
Interest received		4	18
Net cash generated from investing activities		14	18
Cash flows from financing activities			
Payments of principal element of lease liabilities	13	(16)	(730)
Repayments of bank loan		(383)	(369)
Net cash used in financing activities		(399)	(1,099)
Net decrease in cash and cash equivalents		(5,441)	(9,504)
Cash and cash equivalents at beginning of period		18,244	24,407
Exchange differences on cash and cash equivalents		140	200
Cash and cash equivalents at end of period		12,943	15,103

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 13 June 2013, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company's shares are listed on the GEM since 7 February 2014.

The Company is an investment holding company and its subsidiaries are principally engaged in the trading, development and sale of display and optics products and related electronic components, as well as trading of health-related products and other products.

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 (the "2026 Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the GEM Listing Rules. The 2026 Interim Financial Statements do not include all the notes of the type normally included in an annual financial report. Accordingly, the 2026 Interim Financial Statements should be read in conjunction with the annual report for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards, and any public announcements made by the Company during the six months ended 30 June 2026.

The 2026 Interim Financial Statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated; and have been prepared under the historical cost convention, except for financial asset at fair value through other comprehensive income ("FVOCI") and financial asset at fair value through profit or loss ("FVTPL") which have been measured at fair value.

The 2026 Interim Financial Statements have not been reviewed by the external auditors of the Company but have been reviewed by the audit committee of the Company.

Going concern basis

For the six months ended 30 June 2026, the Group recorded a loss attributable to equity holders of the Company of HK\$11,010,000 (six months ended 30 June 2025: HK\$12,624,000) and had a net cash outflow from operating activities of HK\$5,056,000 (six months ended 30 June 2025: HK\$8,423,000). As at 30 June 2026, the Group's net current assets position was HK\$15,147,000 (31 December 2025: HK\$26,833,000) with cash and cash equivalents of HK\$12,943,000 (31 December 2025: HK\$18,244,000). The Group experienced recurring losses and multiple challenges from frequent changes in market demands and the external macro-environment which pose negative impact on the Group's sales performance.

1. BASIS OF PREPARATION (CONTINUED)

Going concern basis (Continued)

The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern. The Board has assessed the appropriateness of adopting the going concern basis for the preparation of the 2026 Interim Financial Statements. In order to improve the Group's liquidity and financial position, the Group has been implementing various measures as follows:

- (i) the Group will continue to dispose of its financial asset at FVTPL with a carrying amount of HK\$5,575,000 as at 30 June 2026 within a certain period;
- (ii) the Group will continue to take initiatives to implement cost control measures, including adjusting human resources;
- (iii) the Group will continue to implement plans and measures to improve the sales of the Group so as to generate operating cash inflow; and
- (iv) the Group will continue its efforts to implement measures to strengthen its operating cash flows and working capital position, including not commencing any significant capital expenditure programmes in the near term.

The Board, after making due enquiries and considering the basis of management's cashflow projections and after taking into account the reasonably possible changes in the operation performance of the Group, believes there will be sufficient financial resources available to the Group for at least twelve months after 30 June 2026 to meet its financial obligations as and when they fall due. Accordingly, the Board considers that it is appropriate to prepare the 2026 Interim Financial Statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether management of the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate cash flows through achieving the following plans and measures:

- (i) successful disposal of its financial asset at FVTPL within a certain period and at a reasonable price to generate the cash flow as planned;
- (ii) successful implementation of the plans and measures to improve the sales of the Group so as to generate operating cash flow; and
- (iii) successful implementation of measures to control operating costs and not commencing any significant capital expenditure programmes in the near term, so as to improve the Group's cash flow position.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the 2026 Interim Financial Statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the 2026 Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information:

- | | |
|---|--|
| • Amendments to HKFRS 9 and HKFRS 7 | <i>Amendments to the Classification and Measurement of Financial Instruments</i> |
| • Amendments to HKFRS 9 and HKFRS 7 | <i>Contracts Referencing Nature-dependent Electricity</i> |
| • Annual Improvements to HKFRS Accounting Standards — Volume 11 | <i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i> |

The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

The Group has not applied the following new and amended HKFRS Accounting Standards, that are expected to be applicable to the Group and have been issued but are not yet effective, in the 2026 Interim Financial Statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

- | | |
|--------------------------------------|--|
| • HKFRS 18 | <i>Presentation and Disclosure in Financial Statements⁽¹⁾</i> |
| • HKFRS 19 and its amendments | <i>Subsidiaries without Public Accountability: Disclosures⁽¹⁾</i> |
| • Amendments to HKFRS 10 and HKAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁽²⁾</i> |
| • Amendments to HKAS 21 | <i>Translation to a Hyperinflationary Presentation Currency⁽¹⁾</i> |

⁽¹⁾ Effective for annual/reporting periods beginning on or after 1 January 2027

⁽²⁾ No mandatory effective date yet determined but available for adoption

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of profit or loss and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the above-mentioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The preparation of the 2026 Interim Financial Statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial instruments by category

The Group holds the following financial instruments at 30 June 2026:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables	2,687	3,986
Cash and cash equivalents	12,943	18,244
Financial asset at FVOCI	90	135
Financial asset at FVTPL	5,575	9,911
	21,295	32,276
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	4,445	5,070
Bank loan	2,683	3,066
Lease liabilities	—	16
	7,128	8,152

3.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk, liquidity risk and price risk.

The 2026 Interim Financial Statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no changes in the risk management policies since 31 December 2025.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.3 Liquidity risk

As at 30 June 2026, the contractual maturities of the Group's non-derivative financial liabilities were as follows:

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000
At 30 June 2026 (Unaudited)					
Trade payables	150	—	—	—	150
Other payables	4,295	—	—	—	4,295
Bank loan	843	843	1,125	—	2,811
Lease liabilities	—	—	—	—	—
	5,288	843	1,125	—	7,256
At 31 December 2025 (Audited)					
Trade payables	125	—	—	—	125
Other payables	4,945	—	—	—	4,945
Bank loan	843	848	1,542	—	3,233
Lease liabilities	16	—	—	—	16
	5,929	848	1,542	—	8,319

3.4 Fair value measurements

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (ii) Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (iii) Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.4 Fair value measurements (Continued)

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2026 and 31 December 2025 on a recurring basis:

	At 30 June 2026				At 31 December 2025			
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Level 1 HK\$'000 (Audited)	Level 2 HK\$'000 (Audited)	Level 3 HK\$'000 (Audited)	Total HK\$'000 (Audited)
Financial asset at FVTPL								
— Listed equity securities (Note (a))	5,575	—	—	5,575	9,911	—	—	9,911
Financial asset at FVOCI								
— Unlisted equity securities (Note (b))	—	—	90	90	—	—	135	135
	5,575	—	90	5,665	9,911	—	135	10,046

Notes:

- (a) The balance as at 30 June 2026 comprised the Group's holding of 17,698,220 (31 December 2025: 17,698,220) ordinary shares ("Mobvoi Shares") of Mobvoi Inc. ("Mobvoi"). Mobvoi is a company principally engaged in the rendering of artificial intelligence ("AI") software solutions and sale of smart devices and other accessories to enterprise and individual customers. There was no movement on the number of Mobvoi Shares held by the Group during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil). No dividend has been received by the Group from Mobvoi since its investment. The Mobvoi Shares have been listed on the Stock Exchange since April 2024. The Group's shareholding proportion in Mobvoi was approximately 1.14% as at 30 June 2026 (31 December 2025: 1.14%). Depending on the prevailing market conditions, the Group may from time to time dispose of up to all of the Mobvoi Shares held. The Mobvoi Shares held by the Group have therefore been classified as current assets.
- (b) The balance comprised the Group's equity investment in certain ordinary shares issued by a private company principally engaged in the research and development, manufacturing and sale of separator which is a key component in lithium batteries. The Group's shareholding proportion in such company was approximately 0.96% as at 30 June 2026 (31 December 2025: 0.96%).

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2026.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.4 Fair value measurements (Continued)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2026 and 2025:

	Financial asset at FVOCI HK\$'000 (Unaudited)
Six months ended 30 June 2026	
Opening balance as at 1 January 2026	135
Loss recognised in other comprehensive loss	(45)
Closing balance as at 30 June 2026	90
Six months ended 30 June 2025	
Opening balance as at 1 January 2025	1,368
Gain recognised in other comprehensive income	225
Closing balance as at 30 June 2025	1,593

The Group's other financial assets, including cash and cash equivalents, trade and other receivables; and the Group's financial liabilities, including trade and other payables, bank loan and lease liabilities are not measured at fair value in the condensed consolidated statement of financial position. The fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.4 Fair value measurements (Continued)

The following table summarises the valuation techniques used and the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Valuation technique	Significant unobservable inputs	Value	Relationship of unobservable inputs to fair value
Ordinary shares issued by a private entity	Discounted cash flow method	Weighted average cost of capital ("WACC")	17.44%	10% increase/(decrease) in WACC would result in (decrease)/increase in fair value by approximately (HK\$80,000)/HK\$90,000

Valuation of the above financial asset held by the Group as at the end of the reporting period was performed by independent valuer. There were no changes made to any of the valuation techniques applied as of 31 December 2025.

4. REVENUE

Revenue represents the sales of display products, optics products and related electronic components, health-related products and other products to external parties.

5. SEGMENT INFORMATION

Information reported to the directors of the Company, being the chief operating decision-maker, for the purposes of resource allocation and assessment focuses on the revenue analysis by products.

Other than the Group's results and financial position as a whole, no other discrete financial information is provided for the assessment of different business activities. Accordingly, only entity-wide disclosures, major customers and geographic information are presented.

5. SEGMENT INFORMATION (CONTINUED)

- (a) The Group's revenues from its major products for the six months ended 30 June 2026 are as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Thin film transistor liquid crystal display ("TFT-LCD") panels and modules	42,167	36,899
Health-related products	5,151	7,432
Electronic signage	2,202	3,299
Optics products	—	113
Others	1,013	1,773
	50,533	49,516

- (b) Revenue from external customers of the Group by geographical location for the six months ended 30 June 2026 is shown as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Hong Kong	48,800	47,472
Taiwan	1,325	1,424
Mainland China	408	620
	50,533	49,516

- (c) Revenue from major customers who have individually contributed 10% or more of the total revenue of the Group for the six months ended 30 June 2026 are disclosed as follows:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Customer A	31,734	21,008
Customer B	7,430	10,124

5. SEGMENT INFORMATION (CONTINUED)

- (d) An analysis of the Group's non-current assets (other than financial and deferred income tax assets) by location of assets is as follows:

	Hong Kong HK\$'000	Mainland China HK\$'000	Taiwan HK\$'000	Total HK\$'000
As at 30 June 2026 (Unaudited):				
Non-current assets				
Property, plant and equipment	352	6	37	395
Intangible assets	4,200	1,122	—	5,322
	4,552	1,128	37	5,717
As at 31 December 2025 (Audited):				
Non-current assets				
Property, plant and equipment	415	8	52	475
Intangible assets	4,200	1,122	—	5,322
	4,615	1,130	52	5,797

6. OTHER LOSSES, NET

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Fair value changes in financial asset at FVTPL	(4,336)	(7,060)
Net exchange gain	34	778
Gain on disposal of property, plant and equipment	10	—
Others	34	98
	(4,258)	(6,184)

7. FINANCE COSTS

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Interest expenses on:		
Bank loan	40	55
Lease liabilities (Note 13)	—	8
	40	63

8. LOSS BEFORE INCOME TAX

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

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Cost of inventories sold	42,409	39,792
(Write back of provision)/provision for obsolete inventories, net	(55)	163
Depreciation of property, plant and equipment (Note 12)	80	147
Depreciation of right-of-use assets (Note 13)	—	—

9. INCOME TAX EXPENSE

The amount of income tax charged to the profit or loss represents:

	Six months ended 30 June	
	2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Current income tax — Hong Kong profits tax	—	—
Deferred income tax	—	3
	—	3

No Hong Kong profits tax has been provided for the six months ended 30 June 2026 and 2025 as the Group has no estimated assessable profit arising in or derived from Hong Kong during the six months ended 30 June 2026 and 2025. Taxation on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

10. DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

11. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Loss attributable to equity holders of the Company (HK\$'000)	(11,010)	(12,624)
Weighted average number of ordinary shares in issue (thousands)	1,483,687	1,483,687
Basic and diluted loss per share (HK cents per share)	(0.74)	(0.85)

For the purpose of determining the diluted loss per share amount, no adjustment has been made to the basic loss per share amount for the six months ended 30 June 2026 and 2025 as the Group had no potentially dilutive ordinary shares in issue during these periods.

12. PROPERTY, PLANT AND EQUIPMENT

	HK\$'000 (Unaudited)
Six months ended 30 June 2026	
<i>Net book value</i>	
Opening amount as at 1 January 2026	475
Depreciation (Note 8)	(80)
Currency translation differences	—
Closing amount as at 30 June 2026	395
Six months ended 30 June 2025	
<i>Net book value</i>	
Opening amount as at 1 January 2025	688
Depreciation (Note 8)	(147)
Currency translation differences	12
Closing amount as at 30 June 2025	553

13. LEASES

	Right-of-use assets — Properties HK\$'000 (Unaudited)	Lease liabilities HK\$'000 (Unaudited)
As at 1 January 2026	—	16
Depreciation (Note 8)	—	—
Interest expense (Note 7)	—	—
Payments of principal element	—	(16)
Payments of interest element	—	—
Exchange realignment	—	—
As at 30 June 2026	—	—
Current	—	—
Non-current	—	—
	—	—
As at 1 January 2025	—	885
Depreciation (Note 8)	—	—
Interest expense (Note 7)	—	8
Payments of principal element	—	(730)
Payments of interest element	—	(8)
Exchange realignment	—	8
As at 30 June 2025	—	163
Current	—	163
Non-current	—	—
	—	163

The Group recognised lease expenses not included in the measurement of lease liabilities of HK\$2,191,000 for the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$1,431,000).

14. INTANGIBLE ASSETS

During the six months ended 30 June 2026, there were no movements in the Group's intangible assets (six months ended 30 June 2025: Nil).

15. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade receivables (Note)	1,555	1,665
Prepayments	1,988	1,850
Deposits	1,097	1,030
Other receivables	565	1,291
	5,205	5,836

Note:

The Group generally grants credit periods of 30 to 90 days. The ageing analysis of trade receivables based on invoice date is as follows:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
0–30 days	824	487
31–60 days	400	514
61–90 days	90	275
Over 90 days	241	389
	1,555	1,665

16. TRADE AND OTHER PAYABLES

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade payables (Note)	150	125
Deposits received from customers	2,560	2,520
Contract liabilities	3,302	2,956
Accruals and other payables	3,819	5,141
	9,831	10,742

16. TRADE AND OTHER PAYABLES (CONTINUED)

Note:

The ageing analysis of trade payables based on invoice date is as follows:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
0–30 days	120	57
31–60 days	—	51
61–90 days	3	5
Over 90 days	27	12
	150	125

17. RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management includes directors and senior management. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June 2026 HK\$'000 (Unaudited)	2025 HK\$'000 (Unaudited)
Short-term employee benefits	3,738	3,738
Post-employment benefits — defined contribution plans	27	34
	3,765	3,772

(b) Guarantee provided by a director

The Group's bank loan as at 30 June 2026, 31 December 2025 and 30 June 2025 was secured by personal guarantee from Mr. Cheng Wai Tak.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the trading, development and sales of display and optics products and related electronic components, as well as trading of health-related products and other products.

During the six months ended 30 June 2026 (the “Period”), the Group continued to operate in a challenging business environment characterised by persistent global economic uncertainties, cautious consumer sentiment and intense market competition. Against this backdrop, the Group continued to leverage its established customer relationships, broaden its product portfolio and enhance operational efficiency through stringent cost control and inventory management measures. During the Period, the Group recorded revenue of approximately HK\$50,533,000, representing an increase of approximately 2% from approximately HK\$49,516,000 for the six months ended 30 June 2025. Sales performance across the Group’s major product categories was mixed. Revenue generated from TFT-LCD panels and modules increased, while revenue generated from health-related products and electronic signage products decreased compared with the corresponding period in 2025. The Group also recorded a fair value loss of approximately HK\$4,336,000 on its financial asset at FVTPL, being its investment in Mobvoi, during the Period, representing a reduction in fair value loss of approximately HK\$2,724,000 as compared with the fair value loss of approximately HK\$7,060,000 recognised in the corresponding period in 2025. The positive effect of the reduction in fair value loss was partially offset by a decrease in gross profit, which was mainly attributable to lower sales of health-related products that generally carry relatively higher gross profit margins. Overall, the Group recorded a loss attributable to equity holders of the Company for the Period of approximately HK\$11,010,000, representing a reduction in loss of approximately HK\$1,614,000 as compared with the loss attributable to equity holders of the Company of approximately HK\$12,624,000 recorded in the corresponding period in 2025.

Revenue from TFT-LCD panels and modules remained the Group’s principal source of revenue during the Period. The global display industry continued to experience a gradual recovery following several years of inventory correction and cyclical demand adjustment. Market supply and demand conditions generally improved as display panel manufacturers maintained disciplined capacity utilisation and inventory levels. During the Period, the Group’s revenue from TFT-LCD panels and modules amounted to approximately HK\$42,167,000, representing an increase of approximately 14% from approximately HK\$36,899,000 in the corresponding period of 2025. The increase was mainly attributable to stronger market demand for display products associated with major international sporting events, particularly the 2026 FIFA World Cup, which stimulated demand for televisions, display devices and related consumer electronic products.

The Group's electronic signage products comprise a variety of digital information display solutions, including electronic shelf displays, electronic whiteboards and other signage products serving customers in the commercial and education sectors. Revenue generated from electronic signage products amounted to approximately HK\$2,202,000 during the Period, representing a decrease of approximately 33% from approximately HK\$3,299,000 in the corresponding period of 2025. The decline was mainly attributable to lower sales of electronic shelf display products. The supply of certain electronic shelf display products was affected by the completion of their product lifecycle and changes in manufacturing arrangements, resulting in reduced product availability and lower customer orders. Consequently, revenue generated from the Group's electronic signage products decreased compared with the corresponding period in 2025.

The Group's health-related products mainly comprised its "K-clean" branded personal hygiene and disinfectant products and various combination rapid antigen test kits. Revenue generated from health-related products amounted to approximately HK\$5,151,000 during the Period, representing a decrease of approximately 31% from approximately HK\$7,432,000 in the corresponding period of 2025. The decline was primarily attributable to lower sales of test kits. The corresponding period in 2025 benefited from relatively strong seasonal demand for influenza-related test kits, resulting in a better sales amount. Demand subsequently returned to a more normalised level during the Period, leading to lower sales of test kits as compared with the corresponding period of 2025. Revenue from personal hygiene and disinfectant products also remained at a lower level as post-pandemic demand continued to normalise. To mitigate the decline in revenue from disinfectant products and test kits, the Group continued to broaden its product portfolio and strengthen its presence in the health-related products market. During the Period, the Group expanded its range of pet health food products, which are classified under the health-related products category. With the market paying increasing attention to pet health, the Group believes that pet health food products present attractive business opportunities and will help diversify the revenue streams of its health-related products business. The Group will continue to explore suitable products and distribution channels with a view to enhancing the long-term growth potential of health-related products.

Beyond expanding its health-related products portfolio, the Group also continued its efforts to diversify its business and broaden its revenue base through the exploration of other growth opportunities. Despite the recent slowdown in the Group's optics products business, the Group remains committed to exploring opportunities in the optics products market as part of its ongoing efforts to diversify its product portfolio and broaden its revenue base. In addition, the Group continued to explore opportunities in the electric vehicle charging infrastructure business and other electric vehicle-related devices during the Period. While the revenue contribution from this business remained insignificant, the Group will continue to assess development opportunities in this emerging sector on a prudent basis.

As regards investment, the Group's financial asset at FVTPL comprised its holding of certain ordinary shares of Mobvoi, which are listed on the Stock Exchange (stock code: 2438). The Group neither acquired nor disposed of any Mobvoi Shares during the Period. Based on the prevailing market price of Mobvoi Shares, the Group recognised a fair value loss of approximately HK\$4,336,000 during the Period. The fair value loss was mainly attributable to adverse movements in the market price of the Mobvoi Shares amid continued volatility in the capital market. Subject to market conditions, the Group will dispose of its Mobvoi Shares to improve the Group's liquidity and financial position.

Prospects

Looking ahead, it is expected that the Group's business environment will remain challenging in the second half of 2026 amid global economic uncertainties, geopolitical tensions and intense market competition. The Group will continue to focus on strengthening its core businesses, enhancing operational efficiency, maintaining prudent cost control and broadening its revenue base through business diversification initiatives.

The Group will continue to adopt a prudent approach in pursuing new business opportunities while closely monitoring market developments and managing its resources effectively. Leveraging its industry experience, diversified business portfolio, established customer base and long-standing supplier relationships, the Group remains focused on strengthening its competitive position and creating sustainable value for shareholders.

Financial Review

Revenue

Total revenue of the Group for the Period amounted to approximately HK\$50,533,000, representing an increase of approximately 2% as compared to approximately HK\$49,516,000 for the six months ended 30 June 2025. As compared to the corresponding period in 2025, the increase in the sales of the Group's TFT-LCD panels and modules partially offset the drop in revenue from health-related products and electronic signage products during the Period.

Gross profit

The Group's gross profit for the Period amounted to approximately HK\$7,663,000, which decreased by approximately 15% as compared with approximately HK\$8,991,000 for the six months ended 30 June 2025. The decrease in gross profit was mainly due to the decrease in sales of health-related products with higher gross profit margin during the Period.

Other losses, net

Net other losses of approximately HK\$4,258,000 were recorded for the Period (six months ended 30 June 2025: HK\$6,184,000). The balance mainly included the fair value loss of approximately HK\$4,336,000 recognised for the Group's financial asset at FVTPL in respect of its Mobvoi Shares held during the Period (six months ended 30 June 2025: HK\$7,060,000).

Expenses

The Group's distribution and selling expenses for the Period amounted to approximately HK\$4,324,000, which are comparable to the corresponding period in 2025 of approximately HK\$4,323,000.

The Group's general and administrative expenses for the Period amounted to approximately HK\$10,183,000, which decreased by approximately 5% as compared with approximately HK\$10,762,000 for the six months ended 30 June 2025. The decrease was mainly due to the streamlining of various operating costs, including travelling expenses and staff costs, during the Period.

The Group's research and development expenses for the Period amounted to approximately HK\$144,000, which decreased by approximately 58% as compared with approximately HK\$340,000 for the six months ended 30 June 2025. The decrease was mainly due to the decrease in staff costs.

Finance costs

The Group's finance costs for the Period mainly represented interest expenses on bank loan of approximately HK\$40,000 (six months ended 30 June 2025: HK\$55,000).

Loss for the period attributable to equity holders of the Company

Loss attributable to equity holders of the Company during the Period amounted to approximately HK\$11,010,000, representing a reduction in loss of approximately HK\$1,614,000 as compared to loss attributable to equity holders of the Company for the six months ended 30 June 2025 of approximately HK\$12,624,000. The reduction in loss was mainly attributable to the decrease in fair value loss on the Group's financial asset at FVTPL during the Period, which partially offset the increase in loss incurred by the Group in its business operations for the Period, as compared with the corresponding period in 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's principal sources of funds are used to finance working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and bank borrowings. The Group's cash and cash equivalents as at 30 June 2026 and 31 December 2025 comprised cash on hand and at bank.

The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
HK\$	5,975	3,874
United States dollars ("USD")	3,834	9,709
Renminbi	2,821	4,430
New Taiwan dollars	313	231
	12,943	18,244

As at 30 June 2026, the Group's total bank borrowings comprised bank loan of approximately HK\$2,683,000 (31 December 2025: HK\$3,066,000), which was obtained under the SME Financing Guarantee Scheme launched by the Government of HKSAR, and will mature in 2029. The bank loan was denominated in HK\$ and carried a floating interest rate of prime rate minus 2.5% per annum. The scheduled repayment date of the Group's bank loan, as set out in the loan agreement and without considering the effect of any repayment on demand clauses, were as follows:

	30 June 2026 HK\$'000	31 December 2025 HK\$'000
On demand or within a period not exceeding 1 year	779	769
Within a period of more than 1 year but not exceeding 2 years	801	790
Within a period of more than 2 years but not exceeding 5 years	1,103	1,507
Within a period of more than 5 years	—	—
	2,683	3,066

As at 30 June 2026, the Group's net current assets position was HK\$15,147,000 (31 December 2025: HK\$26,833,000) with cash and cash equivalents of HK\$12,943,000 (31 December 2025: HK\$18,244,000). As detailed in note 1 to the 2026 Interim Financial Statements, the Board has been implementing various measures to improve the Group's liquidity and financial position. The Board, after making due enquiries and considering the basis of management's cashflow projection and after taking into account the reasonably possible changes in the operation performance of the Group, believes there will be sufficient financial resources available to the Group for at least twelve months after 30 June 2026 to meet its financial obligations as and when they fall due.

GEARING RATIO

The Group's gearing ratio (calculated based on the Group's total interest-bearing bank borrowings divided by the Group's total equity) was 14.1% as at 30 June 2026 (31 December 2025: 10.1%).

CAPITAL STRUCTURE

The capital of the Company only comprises of ordinary shares. There has been no change in the capital structure of the Group during the Period.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period.

The Group strives to reduce exposure to credit risk by monitoring on an ongoing basis with reference to the financial position of the debtors, past experience and other factors. The Group performs regular credit evaluations of its major customers. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintains sufficient cash to settle the payables of the Group.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

CHARGE OF ASSETS

The Group had no charge of assets as at 30 June 2026 (31 December 2025: Nil).

FOREIGN CURRENCY

The Group's business transactions, assets and liabilities are principally denominated in USD, HK\$, Renminbi and New Taiwan dollars. The Group currently does not have a foreign currency hedging policy. However, the Board will continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have any significant capital commitments (31 December 2025: Nil).

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2026, the Group held 17,698,220 ordinary shares of Mobvoi (representing approximately 1.14% of Mobvoi's issued share capital as at 30 June 2026), a company listed on the Stock Exchange (stock code: 2438). Mobvoi is principally engaged in the rendering of AI software solutions and the sale of smart devices and other accessories to enterprise and individual customers. The Group does not have any management or operational role in Mobvoi. Prior to Mobvoi's listing in April 2024, the Group's investment, which was originally undertaken in 2015, was held as preferred shares with an initial investment cost of USD3 million. The Company considered that the investment in Mobvoi provides an opportunity to the Group to share in and gain from the development potentials of Mobvoi and its products and technology. No dividend has been received by the Group from Mobvoi since the Group made the investment.

The Group's investment in Mobvoi is classified as financial asset at FVTPL. As at 30 June 2026, the fair value of the Group's investment in Mobvoi was approximately HK\$5,575,000, representing approximately 17.7% of the Group's total assets. A fair value loss of approximately HK\$4,336,000 was recognised on such financial asset during the Period. There was no movement on the number of Mobvoi Shares held by the Group during the Period.

Save for the abovementioned, the Group did not hold any significant investment in equity interest in any other company as at 30 June 2026.

The investment objective of the Group is to enhance long-term shareholder value through capital appreciation of its investment portfolio. Subject to market conditions, the Group will dispose its remaining Mobvoi Shares to improve the Group's liquidity and financial position. Save for the disposals of the Mobvoi Shares, the Group does not currently engage in securities trading activities. Should any other investments be considered in the future, the Group will ensure that there remains sufficient working capital for its business needs after making such investments. The Group generally focuses on investments with sound fundamentals and growth potential, particularly in sectors that are complementary to or have synergies with the Group's principal business and corporate strategy. The Group's investment decisions will be made on a case-by-case basis and after due and careful consideration of a number of factors, including but not limited to the Group's cash requirement, the market conditions, the investee's financial performance, business prospects, valuation and the investment cost. The Board oversees and regularly reviews the performance of all the investments of the Group on an ongoing basis including managing any risk arising from such investments, and its formal approval must be obtained before the acquisition or disposal of any investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have plans for material investments and capital assets as at 30 June 2026.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the Period.

INFORMATION ON EMPLOYEES

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees including medical benefits, social insurance, provident funds, bonuses and share option scheme.

As at 30 June 2026, the employee headcount of the Group was 41 (31 December 2025: 47) and the total staff costs, including directors' emoluments, amounted to approximately HK\$9,621,000 for the Period (six months ended 30 June 2025: HK\$10,466,000).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2026, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long positions in shares of the Company:

Name of Director	Capacity	Number of shares held	Percentage of the Company's issued shares
Mr. Cheng Wai Tak	Interest in controlled corporation	923,427,151 (Note)	62.24%
	Beneficial owner	2,220,000	0.15%
		925,647,151	62.39%
Mr. Kan Man Wai	Beneficial owner	320,000	0.02%

Note: These 923,427,151 shares are held by Winful Enterprises Limited ("Winful Enterprises"), which in turn is wholly and beneficially owned by Mr. Cheng Wai Tak. As such, Mr. Cheng Wai Tak is deemed under the SFO to be interested in these 923,427,151 shares held by Winful Enterprises.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executives of the Company had registered any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2026, other than the Directors and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued shares
Winful Enterprises	Directly beneficially owned	923,427,151 (Note)	62.24%

Note: Mr. Cheng Wai Tak is deemed under the SFO to be interested in these 923,427,151 shares held by Winful Enterprises.

Save as disclosed above, as at 30 June 2026, no other person had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The existing share option scheme of the Company (the "Share Option Scheme") was approved and adopted at the annual general meeting of the Company held on 18 June 2024.

No share option has been granted under the Share Option Scheme since its adoption.

As at 1 January 2026 and 30 June 2026, the number of share options available for grant under the Share Option Scheme and the service provider sublimit were 148,368,715 and 14,836,871 respectively.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme, at no time during the Period was the Company, its parent company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any shares of the Company.

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the Period.

NON-COMPETITION UNDERTAKING

On 20 January 2014, each of Mr. Cheng Wai Tak and Winful Enterprises, the controlling shareholders of the Company (collectively, the "Covenantors") entered into a deed of non-competition undertaking (the "Non-Competition Deed") in favour of the Company (for itself and for and on behalf of all members of the Group), pursuant to which each of the Covenantors, irrevocably and unconditionally, undertakes and covenants with the Company that with effect from the listing date of the Company and for as long as the shares of the Company remain so listed on the Stock Exchange and he/it, individually or collectively with any other Covenantor(s), is, directly or indirectly, interested in 30% or more of the shares of the Company in issue, or is otherwise regarded as a controlling shareholder (as defined under the GEM Listing Rules from time to time) of the Company, he/it shall not, and shall procure that none of his/its associates (for the purpose of the Non-Competition Deed, shall have the meaning as defined under Rule 1.01 of the GEM Listing Rules but excluding the Group) shall:

- (a) directly or indirectly (other than through the Group) engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business in competition with or likely to be in competition with existing business activity of the Group and any business activities undertaken by the Group from time to time (the "Restricted Business") except for the holding of not more than 5% shareholding interests (individually or any of the Covenantors with their associates collectively) in any publicly listed company; and
- (b) take any direct or indirect action which constitutes an interference with or a disruption to the Restricted Business including, but not limited to, solicitation of the Group's customers, suppliers or staff.

Further details of the Non-Competition Deed have been set out in the section headed "Relationship with the Controlling Shareholders" of the prospectus of the Company dated 24 January 2014.

COMPETING INTERESTS

Based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) had any business or interest which competes or may compete with the business of the Group, nor was there any other conflict of interest which any such person had or might have with the Group throughout the Period.

LEGAL PROCEEDINGS INVOLVING THE COMPANY AND THE DIRECTORS

Reference is made to the announcements of the Company dated 26 September 2019, 4 October 2019, 10 January 2020, 9 April 2020, 10 July 2020 and 25 September 2020. On 25 September 2019, the Company received a sealed copy of a petition (the "Petition") issued by the High Court of the Hong Kong Special Administrative Region (the "High Court") which was taken out by the Securities and Futures Commission (the "SFC") pursuant to section 214 of the SFO against certain current Directors, namely Mr. Cheng Wai Tak, Mr. Liu Ka Wing and Mr. Tse Ka Wing, and certain former Directors, namely Mr. Wong Yik Chung John, Mr. Wong Chi Chiu and Mr. Li Shui Yan (collectively "the Director Respondents"), and the Company. The SFC alleged in the Petition that the Director Respondents had breached their duties as directors of the Company in relation to the disposal of a subsidiary of the Company holding an approximately 50.14% shareholding in 尚立光電股份有限公司 (Shinyoptics Corporation*) (details of such disposal were disclosed in the announcement of the Company dated 22 December 2016). As the Company is only a nominal respondent to the Petition and pursuant to the order of the High Court, the Company is not required to actively participate in the legal proceedings in respect of the Petition.

As detailed in the Company's announcement dated 25 September 2020, with effect from 25 September 2020, pending the outcome of the legal proceedings of the Petition, the Director Respondents have been suspended from their duties as Directors. Mr. Cheng Wai Tak has also been suspended from his duties as the Chairman of the Board and the Chief Executive Officer ("CEO") of the Company. Mr. Kan Man Wai, an independent non-executive Director, has been appointed as the acting Chairman in place of Mr. Cheng Wai Tak. The function of the CEO is shared among the management staff of the Company and other members of the Board.

The Company understands the Director Respondents disagree with the allegations of the SFC in the Petition, and intend to vigorously contest the Petition. As at the date of this report, the legal proceedings of the Petition are ongoing.

* *for identification purpose only*

CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the GEM Listing Rules. Throughout the Period, the Company had complied with all the code provisions of the CG Code in force.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the code provision D.3.3 of the CG Code. The audit committee consists of three independent non-executive Directors, namely Ms. Hsu Wai Man Helen, who has the appropriate accounting and related financial management expertise and serves as the chairperson of the audit committee, Mr. Kan Man Wai and Mr. Lau Ngai Kee Ricky. The audit committee has reviewed this report and has provided advice and comments thereon.

By order of the Board
Perfect Optronics Limited
Kan Man Wai
Acting Chairman

Hong Kong, 13 August 2026