

# PALADIN LIMITED

(incorporated in Bermuda with limited liability)  
Stock Code : 495

# 2025

## Interim Report

For the six months ended  
31 December 2025



# Corporate Information

## DIRECTORS

### Executive Director:

Oung Shih Hua, James (*Chairman*)

### Non-executive Directors:

Chan Chi Ho

Yuen Chi Wah

### Independent Non-executive Directors:

Au Chik Lam Alexander

Liu Man Kin Dickson

## COMPANY SECRETARY

Chan Chi Ho

## AUDITOR

RSM Hong Kong

*Certified Public Accountants*

*Registered Public Interest Entity Auditor*

## PRINCIPAL BANKERS

China CITIC Bank International Limited  
Industrial and Commercial Bank of China (Asia)  
Limited

## SOLICITOR

David Norman & Co.

## PRINCIPAL REGISTRAR

Estera Management (Bermuda) Limited  
Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

## REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## PRINCIPAL OFFICE

Suite 2100, 21st Floor  
Capital Centre  
151 Gloucester Road  
Wan Chai  
Hong Kong

## REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM10  
Bermuda

## AUDIT COMMITTEE

Liu Man Kin Dickson (*Chairman*)  
Au Chik Lam Alexander  
Chan Chi Ho

## NOMINATION COMMITTEE

Oung Shih Hua, James (*Chairman*)  
Au Chik Lam Alexander  
Liu Man Kin Dickson

## REMUNERATION COMMITTEE

Liu Man Kin Dickson (*Chairman*)  
Au Chik Lam Alexander  
Oung Shih Hua, James

# Management Discussion and Analysis

The principal activities of the Group are property investment and research and development of high technology system and applications.

## **BUSINESS REVIEW AND PROSPECTS**

The Group's turnover decreased by approximately 29% to approximately HK\$15 million for the six months ended 31 December 2025 compared to the same period last year, and recorded a loss of approximately HK\$16 million as compared to a loss of approximately HK\$28 million for the corresponding period in 2024. The decrease in loss is primarily attributable to the decrease in fair value losses by approximately HK\$17 million on investment properties for the six months ended 31 December 2025.

### **Properties investment**

Rental income of the Group for the six months ended 31 December 2025 generated from its investment properties amounted to approximately HK\$1 million (2024: HK\$3 million).

The Group will continue to seek and explore investment opportunities to strengthen its investment portfolios.

### **Development of high technology products**

The Group is actively developing next-generation technology applications, encompassing imaging, surveillance, navigation, and advanced semiconductor processing. The Group has made considerable investments to date, reflecting our strategic focus on sustainable development. Looking ahead, further investment is anticipated as we continue to build long-term value for our shareholders and stakeholders. As the Group continues to mature, we expect the sales of various technological products and systems we have developed to either continue or commence in the near future. Our goal is for the technology division to become a significant contributor to the Group's revenue by the end of the decade.

The three major subsidiaries of the Company in our technology division are engaged in the following areas of technological development:

Pexray Oy – a non-wholly owned subsidiary, based in Espoo, Finland is engaged in the development of portable, digital x-ray inspection devices for industrial and security applications. Industrial business area focuses on non-destructive testing (NDT) of critical structures. Most typical applications being weld inspection, corrosion inspection and other structural inspections.

Security business consists of EOD and IED operations and to some extent counterintelligence applications in such areas on the detection of explosive devices, baggage scanning, border control and customs, forensic investigation and security at large scale sporting and other events.

The total sales for the six months ended 31 December 2025 were approximately HK\$12 million.

# Management Discussion and Analysis (Cont'd)

The major products are focusing on portable x-ray devices intended for security and NDT applications as follows:

- Security product line:

The first sales was in August 2019. Pexray Oy has released multiple enhancements to increase product quality and customer satisfaction.

- NDT product line:

The first sales was in September 2020. Multiple new products, accessories and SW features have been released to support products and to meet customer demand.

Pexray released a novel battery operated, portable X-ray source in 2022. First shipments were made in April 2022. The new generator is a complimentary product for both Security and NDT markets. The generator is sold as a stand-alone product in NDT market and is one of the company's growth drivers.

Overall NDT sales dominate over security sales. Growth in fiscal year 2024-2025 and 2025-2026 was and will be strongly driven by NDT sales.

Navigs Oy – a non-wholly owned subsidiary, based in Espoo, Finland. Navigs Oy is at the forefront of R&D in state-of-the-art GNSS and image-based positioning. While these solutions are integral for autonomous, semi-automated agricultural machinery and advanced driver-assist systems to optimize precision farming, their applications extend far beyond agriculture. They are also engineered to be compatible with a variety of off-highway industrial vehicles and have uses in marine navigation systems as well as drones. The product portfolio includes IPESSA Tiny, IPESSA Base Station, IPESSA Nano, IPESSA Yaw Bar, and IPESSA RTK-VINS. The newly developed LOCANOS hardware platform will enable the launching of several new products with special emphasis on cost-effectiveness and ease-of-use. Owing to presence in select exhibitions, the company has become well-known in the agricultural market, but also in other sectors, such as construction and marine.

- IPESSA Tiny is a cost-efficient positioning solution ideal for various autonomous applications like precision farming and heavy working machines. It operates on a dual-antenna satellite receiver coupled with inertial sensing and is equipped with a global narrowband cellular modem.
- IPESSA Base Station is based on IPESSA Tiny but features the capability of providing RTK correction data to moving vehicles (rovers). The RTK correction data is an essential enabler for achieving centimeter-level positioning accuracy. IPESSA Base Station also includes a UHF radio for sending the data to the rovers.
- IPESSA Nano is a compact positioning module, perfect for size-sensitive applications like drones and compact AGVs. It runs on a dual-antenna satellite receiver and an inertial measurement unit (IMU). However, Nano comes with a more limited feature set compared to Tiny.

## Management Discussion and Analysis (Cont'd)

- IPESSA Yaw Bar is a high-end positioning device, fine-tuned for marine use-cases. It features an optional fiber optic gyroscope (FOG) for top-tier orientation sensing, essential for GNSS-independent North Finding in certain marine scenarios. Like Tiny and Nano, Yaw Bar utilizes similar GNSS receivers and inertial sensors. The IMO (International Maritime Organization) hasn't approved RTK corrections for marine vessels, so the initial market focus is on non-SOLAS ships like fishing boats and utility vessels. The sales of the entry-level version of the IPESSA Yaw Bar with MEMS-based inertial sensors have commenced.
- IPESSA RTK-VINS leverages the core tech of both Tiny and Nano, augmented with a visual inertial navigation system (VINS). This hybrid approach enhances positioning accuracy and robustness in GNSS-challenged environments, making it highly applicable for various UGV, AGV and drone contexts. The RTK-VINS system is a joint venture with Dynim Oy.

Dynim Oy, a non-wholly owned subsidiary headquartered in Espoo, Finland, is developing the RTK VINS series in close collaboration with its fellow subsidiaries – Navigs Oy and Techvico.

In parallel with product development, Dynim Oy is introducing a complementary business model: Digital Twins as a Service (DTaaS). This model leverages Dynim's cross-regional ecosystem, combining network reach, geolocation expertise, and operational presence across Europe and Asia. Through DTaaS, Dynim aims to bridge manufacturing hubs in Asia with design centers and sales markets in Europe, enabling faster development cycles, improved localization, and more efficient market entry.

The RTK VINS platforms and products are currently in the development phase across Dynim and its fellow subsidiaries. Ongoing engineering challenges and technical bottlenecks have led to timeline adjustments; therefore, the DTaaS strategy is being deployed in parallel to generate near-term commercial traction while core product development continues.

Upon completion, the RTK VINS product lines will be commercialized under the Dynim brand in the European market. To support ongoing development and future scalability, Dynim is also actively expanding its engineering team in Vietnam.

# Management Discussion and Analysis (Cont'd)

## Business Model

- Platform & Product Sales

Delivery of RTK-enabled navigation and positioning solutions for a wide range of industries.

- Engineering & Professional Services

Customization, system integration, and technical support for robotics, automation, and AI-driven applications.

- OEM/ODM Services

End-to-end support for customers designing and manufacturing RTK-enabled products within the RTK VINS scope, including (but not limited to) e-bikes, robotic lawn mowers, surveying equipment, camera systems, and related autonomous platforms.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2025, net current liabilities of the Group were approximately HK\$116 million. The current ratio was 0.18. The bank and cash balances were approximately HK\$12 million.

As at 31 December 2025, the Group has outstanding liabilities of approximately HK\$163 million comprising (i) trade and other payables of approximately HK\$15 million, (ii) amounts due to related parties of approximately HK\$14 million, (iii) secured bank borrowings of approximately HK\$108 million, and (iv) other liabilities of approximately HK\$26 million. The secured bank borrowings are on floating interest rates basis.

The majority of the Group's assets and borrowings are denominated in Hong Kong dollars. The directors consider that the Group has no significant exposure to exchange fluctuation and does not hedge against foreign exchange risk.

The Group's bank borrowings were secured by investment properties and leasehold land and buildings of approximately HK\$159 million and HK\$161 million respectively.

The Group's gearing ratio as determined by total debt divided by total assets was approximately 30%.

# Management Discussion and Analysis (Cont'd)

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

During the six months ended 31 December 2025, the Group had no material acquisitions and disposals of subsidiaries.

As at 31 December 2025, the Group had no material investment.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group employed a total of 43 employees. They were remunerated according to market conditions.

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any significant contingent liability.

## **INTERIM DIVIDEND**

The Directors of the Company do not recommend the payment of any interim dividend for the six months ended 31 December 2025.

# Directors' Report

## DIRECTOR'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the interests and short positions of the directors of the Company and their associates in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“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 of Hong Kong Limited (the “Stock Exchange”), pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the “Model Code”) were as follows:

Long positions in the shares and underlying shares of the Company:

Name of director	Capacity	Number of ordinary shares held	Number of underlying shares – share options*	Total	Percentage of interest
Oung Shih Hua, James	Beneficial owner	15,724,999	39,772,190	55,497,189	3.37%
Chan Chi Ho	Beneficial owner	–	39,772,190	39,772,190	2.42%
Yuen Chi Wah	Beneficial owner	–	39,772,190	39,772,190	2.42%

\* These represent the shares to be issued and allotted by the Company upon exercise of the options granted under the Share Option Scheme.

Other than as disclosed above, as at 31 December 2025, none of the directors, chief executive of the Company nor their associates had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been recorded in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

# Directors' Report (Cont'd)

## SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, the persons (other than the directors of the Company) who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company:

Name of Shareholder	Capacity	Number of Ordinary Shares held	Number of underlying shares – share options	Total	Percentage of interest
Basurto Holdings Limited (Note a)	Interest of a controlled corporation	508,848,531	–	508,848,531	30.93%
Cityguard Holdings Limited (Note b)	Beneficial owner	508,848,531	–	508,848,531	30.93%
Five Star Investments Limited (Note c)	Interest of a controlled corporation	508,848,531	–	508,848,531	30.93%
Gold Seal Holdings Limited (Note d)	Beneficial owner	537,993,892	–	537,993,892	32.71%
Next Level Corporate Limited (Note e)	Other (Note e)	508,848,531	–	508,848,531	30.93%
Mr. Oung Da Ming	Beneficial owner	90,000,000	39,772,190	129,772,190	7.89%
	Interest of a controlled corporation (Note a)	508,848,531	–	508,848,531	30.93%
	Interest of a controlled corporation (Note d)	537,993,892	–	537,993,892	32.71%
		1,136,842,423	39,772,190	1,176,614,613	71.53%
Ms. Hsu Ong Hsiao Ling	Beneficial owner	–	39,772,190	39,772,190	2.42%
	Interest of a controlled corporation (Note d)	537,993,892	–	537,993,892	32.71%
		537,993,892	39,772,190	577,766,082	35.13%

Notes:

- Basurto Holdings Limited is held by Mr. Oung Da Ming on trust for the estate of his deceased mother, Ms. Oung Chin Liang Fung (as to 67%) and his sister, Ms. Lilian Oung (as to 33%).
- Cityguard Holdings Limited, is a wholly-owned subsidiary of Five Star Investments Limited.
- Five Star Investments Limited is directly and individually (through Basurto Holdings Limited) owned as to 67% by the estate of Ms. Oung Chin Liang Fung, grandmother of Dr. Oung Shih Hua, James, and 33% by Ms. Lilian Oung, his aunt. See note (a) above.

## Directors' Report (Cont'd)

- (d) Gold Seal Holdings Limited is owned as 50% by Mr. Oung Da Ming and 50% by his sister, Ms. Hsu Ong Hsiao Ling.
- (e) Next Level Corporate Limited is owned as 25% by Mr. Oung Da Ming, 25% by his son, Mr. Oung Shih How, 25% by Dr. Oung Shih Hua, James, and 25% by Anglo Chinese Nominees, Limited which holds its shares in Next Level Corporate Limited as bare trustee for Basurto Holdings Limited. Next Level Corporate Limited is the owner of equity derivatives relating to Ordinary Shares and a chargee of Ordinary Shares.

Other than as disclosed above, as at 31 December 2025, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company which were required to be recorded in the register kept by the Company under Section 336 of the SFO.

### SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES

#### Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 8 December 2015 for the purpose of providing incentives or rewards to selected participants for their contributions to the Group.

As at 1 July 2025 and 31 December 2025, share options comprising a total of 397,721,900 underlying Shares (the "Options") were granted under the Share Option Scheme to certain employees of the Group and Directors on 30 May 2016, 23 June 2017 and 9 November 2018 respectively. The percentage of the issued shares (excluding treasury shares) that it represents as at the date of this interim report is 397,721,900 shares, representing approximately 24.18% of the Company's issued share capital as at the date of this interim report. Details of the movements of the share options during the period are as follows:

Grantees	Outstanding as at 01.07.2025	Number of Options				Outstanding as at 31.12.2025	Exercise price per Share HK\$	Grant Date	Exercise period
		Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period				
<b>Directors</b>									
Oung Shih Hua, James	13,676,400	-	-	-	-	13,676,400	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	13,495,790	-	-	-	-	13,495,790	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	12,600,000	-	-	-	-	12,600,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028
Chan Chi Ho	13,676,400	-	-	-	-	13,676,400	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	13,495,790	-	-	-	-	13,495,790	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	12,600,000	-	-	-	-	12,600,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028

## Directors' Report (Cont'd)

Grantees	Outstanding as at 01.07.2025	Number of Options				Outstanding as at 31.12.2025	Exercise price per Share HK\$	Grant Date	Exercise period
		Granted during the period	Cancelled during the period	Lapsed during the period	Exercised during the period				
Yuen Chi Wah	13,676,400	-	-	-	-	13,676,400	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	13,495,790	-	-	-	-	13,495,790	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	12,600,000	-	-	-	-	12,600,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028
<b>Substantial shareholders</b>									
Oung Da Ming	13,676,400	-	-	-	-	13,676,400	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	13,495,790	-	-	-	-	13,495,790	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	12,600,000	-	-	-	-	12,600,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028
Hsu Ong Hsiao Ling	13,676,400	-	-	-	-	13,676,400	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	13,495,790	-	-	-	-	13,495,790	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	12,600,000	-	-	-	-	12,600,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028
Associates of substantial shareholders <sup>(4)</sup>	41,029,200	-	-	-	-	41,029,200	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	40,487,370	-	-	-	-	40,487,370	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	37,800,000	-	-	-	-	37,800,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028
Employees	27,352,800	-	-	-	-	27,352,800	0.321 <sup>(1)</sup>	30 May 2016	30 May 2016 – 29 May 2026
	26,991,580	-	-	-	-	26,991,580	0.296 <sup>(2)</sup>	23 June 2017	23 June 2017 – 22 June 2027
	25,200,000	-	-	-	-	25,200,000	0.179 <sup>(3)</sup>	9 November 2018	9 November 2018 – 8 November 2028

### Note:

- (1) The closing price of the Company's share immediately before the date (30 May 2016) on which the share options were granted was HK\$0.334 per share.
- (2) The closing price of the Company's share immediately before the date (23 June 2017) on which the share options were granted was HK\$0.299 per share.
- (3) The closing price of the Company's share immediately before the date (9 November 2018) on which the share options were granted was HK\$0.173 per share.
- (4) Being share options held by Oung Shih How, Zee Alfred and King, Camille V.

## **Directors' Report** (Cont'd)

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the spouses or children under the age of 18 of the directors had any right to subscribe for the securities of the Company or had exercised such rights during the period.

### **PURCHASE, SALE AND REDEMPTION OF SHARES**

During the six months ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed interest in any of the Company's listed shares.

### **MAJOR SUPPLIERS AND CUSTOMERS**

For the six months ended 31 December 2025, aggregate revenue attributable to the Group's largest and five largest customers accounted for 10% and 43% of the Group's total revenue respectively. For the six months ended 31 December 2025, purchases from the Group's largest and five largest suppliers accounted for 13% and 37% of the Group's total cost of sales respectively.

None of the Directors or any of their associates or any shareholders of the Company (which to the best of the knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or five largest suppliers for the six months ended 31 December 2025.

### **BOARD DIVERSITY AND COMPLIANCE WITH LISTING RULES**

Pursuant to Rule 13.92 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, a single-gender board does not meet the diversity requirement. Accordingly, issuers with a single-gender board are required to appoint at least one director of a different gender by no later than 31 December 2024.

To ensure compliance with the Listing Rules, the Company remains committed to identifying and appointing a suitable candidate to fill the required board position as soon as practicable. The selection process will be conducted with due diligence and in accordance with the relevant Listing Rules.

## **Directors' Report** (Cont'd)

### **RESIGNATION OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR AND NON-COMPLIANCE WITH RULE 3.10(1) OF THE LISTING RULES**

Mr. Luo Rongxuan (“Mr. Luo”) has resigned as an independent non-executive Director of the Company with effect from 6 January 2026. Following the resignation of Mr. Luo, the Board comprises of one executive Directors, two non-executive Directors and two independent non-executive Directors. As a result of the foregoing, the Company is not in compliance with the requirements of Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors.

The Company is in the process of identifying suitable candidate(s) to fill the vacancies for independent non-executive Director in order to comply with the aforementioned Listing Rules requirements, and will use its best endeavours to ensure that appropriate appointments are made as soon as practicable and, in any event, within three months from 6 January 2026.

### **UPDATES ON THE DECISION OF THE STOCK EXCHANGE ON RULE 13.24 OF THE LISTING RULES**

On 15 November 2024, the Company received a letter from the Listing Division (the “Listing Division”) of the Stock Exchange stating amongst other things that the Listing Division have decided that the Company has failed to maintain a sufficient level of operations and assets of sufficient value as required under Listing Rule 13.24, and that trading in the Company’s shares should be suspended under Listing Rule 6.01(3).

In an announcement dated 25 November 2024, the Company reported its decision not to apply for a review of this determination. Consequently, trading in the Company’s shares on the Stock Exchange has been suspended since 27 November 2024 and will remain suspended until further notice.

Pursuant to Listing Rule 6.01A, the Company has 18 months from 27 November 2024 to take the necessary actions to demonstrate compliance with Listing Rule 13.24. If the Company fails to do so within this period, the Stock Exchange may cancel the listing of its shares.

The Company will issue further announcements as appropriate and in compliance with the Listing Rules.

### **AUDIT COMMITTEE**

The interim results for the six months ended 31 December 2025 has not been audited by the Group’s auditor, but the Audit Committee has reviewed with management the accounting principles and practices adopted by the Company, and discussed internal control and financial reporting matters including the review of the unaudited interim results for the six months ended 31 December 2025.

# Directors' Report (Cont'd)

## CORPORATE GOVERNANCE

During the period, the Company had complied with the relevant provisions set out in the Corporate Governance Code (the "Code") set out in Appendix C1 of the Listing Rules, save for the following:

- under the code provision B.1.5, the Company has adopted a board diversity policy to ensure an appropriate balance of skills, experience, and diversity on the Board. The policy sets out the Company's commitment to achieving gender diversity. While a suitable female director has not yet been identified, the Board continues to make efforts in this regard and will comply with the policy requirements upon the appointment of a suitable candidate.
- under code provision C.1.5 of the Code, independent non-executive directors and other non-executive directors should attend general meeting of the Company. Certain independent non-executive directors of the Company were unable to attend the annual general meeting of the Company as they had other business commitment.
- under the Code provision C.2.1, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual. Dr. Oung Shih Hua, James is the Chairman of the Company and the Company currently does not appoint any new Chief Executive Officer. In the opinion of the Board, Dr. Oung temporarily acts as the role of the Chief Executive Officer. The Board considers that the present structure provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution.

The Company will review the current bye-laws as and when it becomes appropriate in future.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiry has been made with all directors of the Company and the directors of the Company confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2025.

By order of the Board  
**Oung Shih Hua, James**  
*CHAIRMAN*

Hong Kong, 27 February 2026

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2025

	Note	Six months ended 31 December	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>Revenue</b>	5	<b>14,917</b>	21,135
Cost of sales and service		<u>(8,668)</u>	<u>(11,047)</u>
<b>Gross profit</b>		<b>6,249</b>	10,088
Other income		57	327
Other gains and losses	6	(4,433)	(17,870)
Administrative and other operating expenses		<u>(17,969)</u>	<u>(20,297)</u>
<b>Loss from operations</b>		<b>(16,096)</b>	(27,752)
Finance costs	7	<u>(2,567)</u>	<u>(3,277)</u>
<b>Loss before tax</b>		<b>(18,663)</b>	(31,029)
Income tax expense	8	<u>–</u>	<u>(167)</u>
<b>Loss for the period</b>	9	<u><b>(18,663)</b></u>	<u>(31,196)</u>
<b>Other comprehensive income:</b>			
<i>Item that reclassified or may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>392</u>	<u>1,500</u>
<b>Other comprehensive income for the period, net of tax</b>		<u><b>392</b></u>	<u>1,500</u>
<b>Total comprehensive income for the period</b>		<u><b>(18,271)</b></u>	<u>(29,696)</u>
<b>Loss for the period attributable to:</b>			
Owners of the Company		<u>(18,553)</u>	(31,288)
Non-controlling interests		<u>(110)</u>	92
		<u><b>(18,663)</b></u>	<u>(31,196)</u>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)

For the six months ended 31 December 2025

	Note	Six months ended 31 December	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		(18,263)	(30,073)
Non-controlling interests		(8)	377
		<u>(18,271)</u>	<u>(29,696)</u>
<b>Loss per share</b>	11		
Basic (HK cents per share)		<u>(1.13)</u>	<u>(2.16)</u>
Diluted (HK cents per share)		<u>(1.13)</u>	<u>(2.17)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		<b>31 December</b>	30 June
		<b>2025</b>	2025
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>			
Investment properties	12	<b>301,802</b>	306,261
Property, plant and equipment	13	<b>179,547</b>	183,037
Goodwill		–	–
Other intangible assets		–	–
Financial assets at fair value through profit or loss ("FVTPL")	14	<b>37,419</b>	37,393
<b>Total non-current assets</b>		<b>518,768</b>	526,691
<b>Current assets</b>			
Inventories		<b>7,335</b>	5,637
Trade and other receivables	15	<b>5,711</b>	5,308
Current tax assets		<b>166</b>	–
Bank and cash balances		<b>11,903</b>	18,860
<b>Total current assets</b>		<b>25,115</b>	29,805
<b>Current liabilities</b>			
Trade and other payables	16	<b>15,371</b>	18,866
Contract liabilities		<b>495</b>	213
Due to related parties	17	<b>14,212</b>	12,659
Secured bank borrowings	18	<b>108,744</b>	100,784
Other borrowings	20	<b>2,357</b>	5,600
Current tax liabilities		–	429
<b>Total current liabilities</b>		<b>141,179</b>	138,551
<b>Net current liabilities</b>		<b>(116,064)</b>	(108,746)

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

At 31 December 2025

		<b>31 December</b>	30 June
		<b>2025</b>	2025
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Total assets less current liabilities</b>		<b>402,704</b>	417,945
<b>Non-current liabilities</b>			
Other borrowings	20	<u>22,114</u>	<u>19,084</u>
<b>NET ASSETS</b>		<b><u>380,590</u></b>	<b><u>398,861</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital	21	<b>16,450</b>	16,450
Reserves		<u>395,044</u>	<u>414,127</u>
Equity attributable to owners of the Company		<b>411,494</b>	430,577
Non-controlling interests		<u>(30,904)</u>	<u>(31,716)</u>
<b>TOTAL EQUITY</b>		<b><u>380,590</u></b>	<b><u>398,861</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2025

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Translation reserve	Convertible notes	Share option reserve	Accumulated profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
At 1 July 2024 (audited)	14,013	188,752	21,766	(3,350)	9,722	58,312	287,288	576,503	(33,094)	543,409
Issue of shares upon conversion of 2014 Convertible Notes (note 19(b))	522	9,200	-	-	(9,722)	-	-	-	-	-
Issue of shares upon conversion of 2017 Convertible Notes (note 19(a))	1,915	1,916	-	-	-	-	-	3,831	-	3,831
Capital contribution to non-wholly owned subsidiaries	-	-	-	-	-	-	(1,310)	(1,310)	1,310	-
Total comprehensive income for the period	-	-	-	1,215	-	-	(31,288)	(30,073)	377	(29,696)
Changes in equity for the period	2,437	11,116	-	1,215	(9,722)	-	(32,598)	(27,552)	1,687	(25,865)
At 31 December 2024 (unaudited)	16,450	199,868	21,766	(2,135)	-	58,312	254,690	548,951	(31,407)	517,544

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Translation reserve	Share option reserve	Accumulated profits				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000				
At 1 July 2025 (audited)	16,450	199,868	21,766	(5,887)	58,312	140,068	430,577	(31,716)	398,861	
Capital contribution to non-wholly owned subsidiaries	-	-	-	-	-	(820)	(820)	820	-	-
Total comprehensive income for the period	-	-	-	290	-	(18,553)	(18,263)	(8)	(8)	(18,271)
Changes in equity for the period	-	-	-	290	-	(19,373)	(19,083)	812	812	(18,271)
At 31 December 2025 (unaudited)	16,450	199,868	21,766	(5,597)	58,312	120,695	411,494	(30,904)	380,590	

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2025

	Six months ended 31 December	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(13,876)</u>	<u>(7,401)</u>
Bank interest received	38	327
Purchases of property, plant and equipment	<u>(258)</u>	<u>(37)</u>
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<u>(220)</u>	<u>290</u>
Advances from related parties	2,000	–
Repayment to related parties	(425)	(167)
Repayment of bank and other borrowings	(2,040)	(1,759)
Bank borrowings raised	10,000	–
Interest paid	<u>(2,567)</u>	<u>(3,510)</u>
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<u>6,968</u>	<u>(5,436)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(7,128)</b>	<b>(12,547)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>18,860</b>	<b>36,250</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<u>171</u>	<u>647</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>11,903</b></u>	<u><b>24,350</b></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	<u><b>11,903</b></u>	<u><b>24,350</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2025

## 1. GENERAL INFORMATION

Paladin Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda. The address of its principal place of business is Suite 2100, 21st Floor, Capital Centre, 151 Gloucester Road, Wan Chai, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are property investment and research and development. The Company and its subsidiaries are collectively referred to as the “Group”.

## 2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2025 annual consolidated financial statements. Except as described below, the accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 30 June 2025.

The Group incurred a loss of approximately HK\$18,663,000 during the six months ended 31 December 2025 and, as of that date, the Group had net current liabilities of approximately HK\$116,064,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the above conditions, the condensed consolidated financial statements have been prepared on a going concern basis as the directors have given careful consideration to their impact on the current and anticipated future liquidity of the Group by taking into consideration the mitigating factors which include, but not limited to, the following:

- (i) The secured bank loans of approximately HK\$108,744,000 with a repayment on demand clause will be repaid in accordance with the scheduled repayment dates and the banks will not exercise their discretionary rights to demand immediate repayment;
- (ii) Gold Seal Holdings Limited, a shareholder of the Company, has agreed not to demand for repayment of the balance of approximately HK\$13,391,000 due from the Group as at 31 December 2025 until it is in a financial position to do so;

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 2. BASIS OF PREPARATION (Cont'd)

- (iii) The Group has undrawn available banking facilities of approximately HK\$55,000,000 as at 31 December 2025 as disclosed in note 18; and
- (iv) The Group has implemented and will continue to implement various strategies to enhance the Group's revenue and profitability including adopting various of measures to control costs.

Having taken into account the above, the directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value 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 liabilities as current assets and liabilities, respectively.

## 3. NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

The Group has applied the amendments to HKAS 21 "Lack of Exchangeability" for the first time from 1 July 2025. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standard.

## 4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 4. FAIR VALUE MEASUREMENTS (Cont'd)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

### (a) Disclosures of level in fair value hierarchy at 31 December 2025:

Description	(Unaudited)			
	Fair value measurements as at			
	31 December 2025 using:			
	Level 1	Level 2	Level 3	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Recurring fair value measurements:</b>				
Financial assets at FVTPL				
– Golf club membership	–	–	10,090	10,090
– Deposit placed for a life insurance policy	–	27,329	–	27,329
	–	27,329	10,090	37,419
Investment properties				
– Vacant office premises/car parking spaces located in Hong Kong	–	–	301,802	301,802
<b>Total</b>	–	27,329	311,892	339,221

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 4. FAIR VALUE MEASUREMENTS (Cont'd)

### (a) Disclosures of level in fair value hierarchy at 31 December 2025: (Cont'd)

Description	(Audited)			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
Fair value measurements as at 30 June 2025 using:				
<b>Recurring fair value measurements:</b>				
Financial assets at FVTPL				
– Golf club membership	–	–	10,460	10,460
– Deposit placed for a life insurance policy	–	26,933	–	26,933
	–	26,933	10,460	37,393
<b>Investment properties</b>				
– Tenant occupied office premises/car parking spaces located in Hong Kong	–	–	161,800	161,800
– Vacant office premises/car parking spaces located in Hong Kong	–	–	144,461	144,461
	–	–	306,261	306,261
<b>Total</b>	–	26,933	316,721	343,654

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 4. FAIR VALUE MEASUREMENTS (Cont'd)

### (b) Reconciliation of assets measured at fair value based on Level 3:

	Golf club membership		Investment properties	
	Six months ended		Six months ended	
	31 December		31 December	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At beginning of period	10,460	11,084	306,261	417,700
Total losses recognised				
– in profit or loss	<u>(370)</u>	<u>(600)</u>	<u>(4,459)</u>	<u>(21,100)</u>
At end of period	<u>10,090</u>	<u>10,484</u>	<u>301,802</u>	<u>396,600</u>

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other gains and losses in the condensed consolidated statement of profit or loss and other comprehensive income.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 4. FAIR VALUE MEASUREMENTS (Cont'd)

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025:

The Group's Board of Directors is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including Level 3 fair value measurements. For Level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

#### *Level 3 fair value measurements*

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs
Golf club membership	Direct comparison method	Market price of similar golf club membership	N/A	Increase
Investment properties				
– Tenant occupied office premises/car parking spaces located in Hong Kong	Direct comparison method	Market unit rate of similar properties and applied adjustment rate on difference in location, view, floor area, lot size, age and condition of the properties under review	HK\$Nil (30 June 2025: HK\$12,298) per sq. ft. on saleable area basis	Increase
– Vacant office premises/car parking spaces located in Hong Kong	Direct comparison method	Market unit rate of similar properties and applied adjustment rate on difference in location, view floor area, lot size, age and condition of the properties under review	HK\$12,142 (30 June 2025: HK\$12,298) per sq. ft. on saleable area basis	Increase

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 4. FAIR VALUE MEASUREMENTS (Cont'd)

- (c) **Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025:** (Cont'd)

### *Level 2 fair value measurements*

<b>Description</b>	<b>Valuation technique</b>	<b>Inputs</b>
Deposit placed for a life insurance policy	Expected cash flows	Cash value quoted by the insurance company

There were no changes in the valuation techniques used.

## 5. REVENUE AND SEGMENT INFORMATION

The Group's operations and main revenue streams are those described in the last annual consolidated financial statements. The Group's revenue is derived from contracts with customers.

The Group has two operating segments as follows:

- Property investment: rental income from leasing out the properties; and
- Research and development: conducting research and development, software and hardware design for the manufacture and sale of a range of high technology products such as portable x-ray systems, advanced algorithm and software solutions, image sensors etc. as well as provision of autonomous mobile robotic solutions and related services.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment profits or losses do not include certain other income, certain other gains and losses and unallocated corporate expenses.

	<b>Property investment HK\$'000 (Unaudited)</b>	<b>Research and development HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
Six months ended 31 December 2025:			
Revenue from external customers	<u>1,447</u>	<u>13,470</u>	<u>14,917</u>
Segment loss	<u>(4,982)</u>	<u>(3,836)</u>	<u>(8,818)</u>
Unallocated expenses			<u>(9,871)</u>
Unallocated income			<u>26</u>
Consolidated loss before tax			<u><u>(18,663)</u></u>
	<b>Property investment HK\$'000 (Unaudited)</b>	<b>Research and development HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
Six months ended 31 December 2024:			
Revenue from external customers	<u>2,894</u>	<u>18,241</u>	<u>21,135</u>
Segment loss	<u>(18,934)</u>	<u>(5,038)</u>	<u>(23,972)</u>
Unallocated expenses			<u>(10,305)</u>
Unallocated income			<u>3,248</u>
Consolidated loss before tax			<u><u>(31,029)</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about operating segment assets and liabilities is not provided to the Chief Executive Officer, being the chief operating decision maker, therefore, segment assets and liabilities are not presented.

Reconciliation of segment loss from operations:

	<b>Six months ended 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	(Unaudited)
Total loss of reportable segments	<b>(8,818)</b>	(23,972)
Unallocated amounts:		
Other income	–	18
Other gains and losses	<b>26</b>	3,230
Administrative and other operating expenses	<b>(9,871)</b>	(10,305)
	<u><b>(18,663)</b></u>	<u>(31,029)</u>
Consolidated loss before tax	<u><b>(18,663)</b></u>	<u>(31,029)</u>

### Geographical information:

The Group's revenue from external customers by location of operations is detailed below:

	<b>Six months ended 31 December</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	(Unaudited)
Hong Kong	<b>1,447</b>	2,894
Finland	<b>12,301</b>	17,444
Others	<b>1,169</b>	797
	<u><b>14,917</b></u>	<u>21,135</u>
Consolidated total	<u><b>14,917</b></u>	<u>21,135</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 6. OTHER GAINS AND LOSSES

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Fair value losses on investment properties (note 12)	(4,459)	(21,100)
Fair value gains/(losses) on financial assets at FVTPL (note 14)	26	(218)
Fair value gains on convertible notes (note 19(a))	–	3,448
	<u>(4,433)</u>	<u>(17,870)</u>

## 7. FINANCE COSTS

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	2,511	3,218
Interest on other borrowings	56	59
	<u>2,567</u>	<u>3,277</u>

## 8. INCOME TAX EXPENSE

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	–	167
	<u>–</u>	<u>167</u>

Under the two-tiered Profits Tax regime, the first HK\$2 million of profits of the qualifying Group entity established in Hong Kong will be taxed at 8.25% (2024: 8.25%), and profits above that amount will be subject to the tax rate of 16.5% (2024: 16.5%). The profits of the Group entities not qualifying for the two-tiered Profits Tax rate regime will continue to be taxed at a rate of 16.5% (2024: 16.5%).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 9. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting) the following:

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	(38)	(327)
Cost of inventories sold	7,639	10,389
Direct operating expenses of investment properties that generate rental income	43	18
Direct operating expenses of investment properties that did not generate rental income	986	640
Depreciation of property, plant and equipment	3,733	2,749
	<u>3,733</u>	<u>2,749</u>

## 10. DIVIDEND

No dividend was paid or proposed by the Company during the six months ended 31 December 2025 (2024: Nil), nor has any dividend been proposed since the end of the reporting period.

## 11. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following:

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss</b>		
Loss for the purpose of calculating basic loss per share	(18,553)	(31,288)
Fair value gains on convertible notes ( <i>note 19(a)</i> )	—	(3,448)
	<u>—</u>	<u>(3,448)</u>
Loss for the purpose of calculating diluted loss per share	<u>(18,553)</u>	<u>(34,736)</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 11. LOSS PER SHARE (Cont'd)

	Six months ended 31 December	
	2025	2024
	(Unaudited)	(Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares used in basic loss per share calculation	<b>1,644,959,219</b>	1,450,294,733
Effect of dilutive potential ordinary shares arising from 2017 Convertible Notes outstanding ( <i>note 19(a)</i> )	<u>–</u>	<u>153,037,784</u>
Weighted average number of ordinary shares used in diluted loss per share calculation	<b><u>1,644,959,219</u></b>	<b><u>1,603,332,517</u></b>

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of those share options were higher than the average market price for shares for the six months ended 31 December 2025.

The conversion of the Company's outstanding 2014 Convertible Notes would be anti-dilutive before the exercise of the conversion rights during the six months ended 31 December 2024. The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of those share options were higher than the average market price for shares for the six months ended 31 December 2024.

## 12. INVESTMENT PROPERTIES

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. An owned property is measured initially at its cost including all direct costs attributable to the property.

The fair value has been arrived at on the basis of a valuation carried out by Messrs. Ravia Global Appraisal Advisory Limited, an independent qualified professional valuer which is not connected to the Group.

The fair value of the investment properties was arrived by using direct comparison method based on market unit rate of similar properties and adjusted to reflect the conditions of the subject properties including property size and property floor level. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Fair value losses on property revaluation of approximately HK\$4,459,000 (2024: HK\$21,100,000) were recognised in profit or loss for the six months ended 31 December 2025.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2025, the Group acquired property, plant and equipment of approximately HK\$258,000 (2024: HK\$37,000).

## 14. FINANCIAL ASSETS AT FVTPL

	<b>31 December 2025 HK\$'000 (Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Golf club membership ( <i>note (a)</i> )	<b>10,090</b>	10,460
Deposit placed for a life insurance policy ( <i>note (b)</i> )	<b>27,329</b>	26,933
	<b><u>37,419</u></b>	<b><u>37,393</u></b>

Notes:

### (a) Golf club membership

During the six months ended 31 December 2025, the fair value loss of approximately HK\$370,000 (2024: HK\$600,000) was charged to profit or loss.

### (b) Deposit placed for a life insurance policy

In March 2012, the Group entered into a life insurance policy with an insurance company to insure an executive director. Under the policy, the beneficiary and policy holder is World Modern International Limited, a former subsidiary of the Company, and changed to Master Era Limited (“Master Era”), a subsidiary of the Company in 2016, and the total insured sum is US\$10,000,000 (approximately HK\$78,000,000). Master Era was required to pay an upfront deposit of US\$2,806,000 (approximately HK\$21,887,000) including a premium charge at inception of the policy amounting to US\$168,000 (approximately HK\$1,310,000). Master Era can terminate the policy at any time and receive cash value of the policy at the date of withdrawal, which is determined by the upfront payment of US\$2,806,000 plus accumulated interest earned and minus the accumulated insurance charge and policy expense charge (“Cash Value”). In addition, if withdrawal is made between the 1st to 18th policy year, there is a specified amount of surrender charge. The insurance company will pay Master Era an interest of 4.65% per annum on the outstanding Cash Value of the policy for the first year. Commencing on the 2nd year, the interest will be a variable return with minimum guaranteed interest rate of 2% per annum by the insurance company on an annual basis.

During the six months ended 31 December 2025, the fair value gain of approximately HK\$396,000 (2024: HK\$382,000) was credited to profit or loss.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 15. TRADE AND OTHER RECEIVABLES

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Trade receivables	1,719	908
Other receivables	2,199	2,110
Deposits	1,185	1,307
Prepayments	608	983
	<u>5,711</u>	<u>5,308</u>

The ageing analysis of trade receivables, based on the invoice date, is as follows:

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
0 – 90 days	1,616	908
91 – 180 days	18	–
181 – 365 days	85	–
	<u>1,719</u>	<u>908</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 16. TRADE AND OTHER PAYABLES

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Trade payables	1,939	1,343
Accruals	4,466	5,255
Rental deposits received	1,496	3,969
Other payables	7,470	8,299
	<u>15,371</u>	<u>18,866</u>

The ageing analysis of trade payables, based on the date of receipt of goods, is as follows:

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
0 – 90 days	<u>1,939</u>	<u>1,343</u>

## 17. DUE TO RELATED PARTIES

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Gold Seal Holdings Limited	13,391	11,687
Cityguard Holdings Limited	436	436
Oung Da Ming	385	536
	<u>14,212</u>	<u>12,659</u>

The related parties are immediate shareholders of the Company. The amounts due are unsecured, interest-free and repayable on demand.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 18. SECURED BANK BORROWINGS

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Mortgage loans	76,515	77,680
Term loans	22,229	23,104
Revolving loan	10,000	–
	<u>108,744</u>	<u>100,784</u>

The secured bank borrowings are repayable as follows:

	<b>31 December</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Within one year	14,008	4,556
More than one year, but not exceeding two years	22,848	24,231
More than two years, but not more than five years	7,831	9,064
More than five years	64,057	62,933
	<u>108,744</u>	<u>100,784</u>
Portion of bank loans that are due for repayment after one year but contain a repayment on demand clause (shown under current liabilities)	<u>(94,736)</u>	<u>(96,228)</u>
	14,008	4,556
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(14,008)</u>	<u>(4,556)</u>
Amount due for settlement after 12 months	<u>–</u>	<u>–</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 18. SECURED BANK BORROWINGS (Cont'd)

At 31 December 2025, the secured bank borrowings are comprised of:

- (i) mortgage loans with an outstanding amount of approximately HK\$76,515,000 (30 June 2025: HK\$77,680,000) shall be repayable by remaining 245 (30 June 2025: 251) monthly instalments and carries interest at a rate of 1.75% (30 June 2025: 1.75%) per annum over Hong Kong Interbank Offer Rate; and
- (ii) a 3-year term loan of approximately HK\$22,229,000 (30 June 2025: HK\$23,104,000) that carries interest at the rate of 1% (30 June 2025: 0.75%) per annum below Hong Kong Dollar Prime Rate of the bank; and
- (iii) revolving loan of approximately HK\$10,000,000 (30 June 2025: HK\$Nil) that carries interest at the rate of 1% (30 June 2025: Nil) per annum below Hong Kong Dollar Prime Rate of the bank.

At 31 December 2025, the Group had available undrawn borrowing facilities of approximately HK\$55,000,000 (30 June 2025: HK\$65,000,000).

All bank borrowings are secured by the Group's assets. The details of pledged assets are disclosed in note 23.

## 19. CONVERTIBLE NOTES

### (a) 2017 Convertible Notes

On 31 October 2017, the Company announced a proposed open offer of unsecured zero coupon participating convertible notes due 2024 in denominations of HK\$0.25 principal amount each, to be issued at face value, on the basis of assured allotments of one convertible note, with the share alternative of one new ordinary share, at a subscription price of HK\$0.25, for every five existing ordinary shares held (the "2017 Convertible Notes"). In December 2017, the Company issued an aggregate of 181,313,569 convertible notes and 25,774,298 ordinary shares in assured allotments for which valid applications were received and a further 12,894,970 convertible notes and 51,731,337 ordinary shares for which valid applications were received. In total, 194,208,539 unsecured zero coupon participating convertible notes and 77,505,635 ordinary shares were issued in the open offer and gross proceeds of approximately HK\$48,552,000 and HK\$19,376,000 were received, respectively.

2017 Convertible Notes bears no interest and matures on 23 November 2024. The convertible notes are convertible into ordinary shares of the Company at the option of the noteholders at any time from the issue date up to the close of business on the tenth last day preceding the maturity date at an initial conversion price of HK\$0.25 each, subject to anti-dilutive adjustments. These convertible notes are denominated in Hong Kong dollars. Please refer to the Company's offering document dated 28 November 2017 for the details of these terms of the 2017 Convertible Notes. Below is a summary of principal terms of convertible notes.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 19. CONVERTIBLE NOTES (Cont'd)

### (a) 2017 Convertible Notes (Cont'd)

#### (i) *Conversion option exercisable by the noteholders*

At any time from issue date up to the close of business on the tenth last day preceding the maturity date of the convertible notes, the Company will be issuing a fixed number of the Company's ordinary shares (subject to anti-dilutive adjustments) upon such conversion.

#### (ii) *Distributions*

The convertible notes entitle the noteholders to participate in dividends and/or distributions made to ordinary shareholders.

#### (iii) *Cash settlement option*

Notwithstanding the conversion right of each noteholder in respect of each convertible note, at any time when the delivery of shares deliverable upon conversion of notes is required to satisfy the conversion right, the Company has the option to settle the conversion option in cash at the cash settlement amount (as defined below). If and to the extent that the issue of new ordinary shares upon conversion of the convertible notes will cause the public float of the ordinary shares to fall below the minimum prescribed percentage required under the Listing Rules, the Company shall pay to the relevant noteholder an amount of cash equal to the cash settlement amount in order to satisfy such conversion right.

The cash settlement amount is the product of (i) the number of ordinary shares otherwise deliverable upon exercise of the conversion right in respect of those convertible notes for which the Company has elected the cash settlement option and (ii) the arithmetic average of the volume weighted average price of the ordinary shares for each business day during the five business days last preceding the date of the relevant notice of conversion.

#### (iv) *Redemption at the option of the Company*

At any time after issue and prior to the day that is five business days prior to the maturity date, the Company may redeem all the 2017 Convertible Notes at the early redemption amount (as defined below).

The early redemption amount is the product of (i) the number of ordinary shares deliverable upon exercise of the conversion rights in respect of those convertible notes then outstanding and (ii) the arithmetic average of the volume weighted average price of the ordinary shares for each business day during the sixty business days ending on date of the notice from the Company electing to redeem all the 2017 Convertible Notes on the redemption date specified therein.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 19. CONVERTIBLE NOTES (Cont'd)

### (a) 2017 Convertible Notes (Cont'd)

#### (v) *Automatic conversion on maturity*

On the maturity date, all the outstanding 2017 Convertible Notes will automatically be converted into ordinary shares (subject to anti-dilutive adjustments). Notwithstanding the automatic conversion of all outstanding convertible notes on the maturity date, in the event that automatic conversion of all outstanding 2017 Convertible Notes on the maturity date will cause the public float of the ordinary shares to fall below the minimum prescribed percentage required under the Listing Rules, the Company shall redeem the 2017 Convertible Notes by paying to the relevant noteholders an amount of cash at the redemption amount (as defined below).

The redemption amount is the product of (i) the number of ordinary shares deliverable upon exercise of the conversion rights in respect of the 2017 Convertible Notes then outstanding and (ii) HK\$0.25.

Since the Company has contractual obligation to deliver cash to the noteholders in the event of breach of public float requirement under the Listing Rules upon conversion of convertible notes, it results in the classification as financial liabilities and classified as current liabilities as the event of the above said breach is out of the Company's control. Accordingly, the Directors designated the entire 2017 Convertible Notes as FVTPL with subsequent changes in fair value recognised in profit or loss.

The fair values of the 2017 Convertible Notes were determined by management, which approximate the cash settlement amount as calculated based on the formula as described in section (iii) above.

Change in fair value of approximately HK\$3,448,000 was credited to "other gains and losses" in profit or loss during the six months ended 31 December 2024.

During the six months ended 31 December 2024, a total amount of 191,557,498 2017 Convertible Notes with a carrying amount of approximately HK\$3,831,000 have been converted to 191,557,498 ordinary shares.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 19. CONVERTIBLE NOTES (Cont'd)

### (b) 2014 Convertible Notes

On 26 September 2014, the Company announced a proposed open offer of unsecured zero coupon participating convertible notes due 2024 in denominations of HK\$0.25 principal amount each, to be issued at face value, on the basis of assured allotments of one convertible note, with the share alternative of one new ordinary share at an open offer of HK\$0.25, for every two existing ordinary shares held (the "2014 Convertible Notes"). In November 2014, the Company issued an aggregate of 275,934,673 convertible notes and 41,236,560 ordinary shares in assured allotments for which valid applications were received. In December 2014, the Company issued a further 33,051,228 convertible notes and 117,839,783 ordinary shares for which valid applications were received on excess application forms. In total, 308,985,901 unsecured zero coupon participating convertible notes and 159,076,343 ordinary shares were issued in the open offer.

Details of major terms and conditions of the convertible notes are set out in the announcement in respect of the open offer of convertible notes with an ordinary share alternative dated 28 October 2014.

The conversion price of the 2014 Convertible Notes was adjusted to HK\$0.24 with effective from 13 November 2017 as a result of the issuance of 2017 Convertible Notes.

During the six months ended 31 December 2024, a total amount of 52,104,172 2014 Convertible Notes with an amount of approximately HK\$9,722,000 have been converted to 52,104,172 ordinary shares.

## 20. OTHER BORROWINGS

	<b>31 December 2025 HK\$'000 (Unaudited)</b>	30 June 2025 HK\$'000 (Audited)
Unsecured loans	24,471	24,684
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(2,357)</u>	<u>(5,600)</u>
Amount due for settlement after 12 months	<u><b>22,114</b></u>	<u><b>19,084</b></u>

The carrying amounts of the Group's other borrowings are denominated in Euro.

Other borrowings of approximately HK\$22,114,000 (30 June 2025: HK\$19,084,000) are repayable by instalments from 2027 to 2031 (30 June 2025: 2027 to 2031) and carry interest at a rate of 1% (30 June 2025: 1%) per annum set by the Finland Finance Ministry.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 21. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 July 2024, 30 June 2025, 1 July 2025 and 31 December 2025	<u>50,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 July 2024 (audited)	1,401,297,549	14,013
Issue of shares upon conversion of 2014 Convertible Notes (note 19(b))	52,104,172	522
Issue of shares upon conversion of 2017 Convertible Notes (note 19(a))	<u>191,557,498</u>	<u>1,915</u>
At 30 June 2025 (audited), 1 July 2025 (audited) and 31 December 2025 (unaudited)	<u>1,644,959,219</u>	<u>16,450</u>

## 22. SHARE-BASED PAYMENTS

The Company has adopted a share option scheme to grant share options to eligible participants, including the executive directors of the Company. Details of the share option scheme were disclosed in the Group's consolidated financial statements for the year ended 30 June 2025.

Details of the specific categories of options are as follows:

Date of grant	Exercisable period	Exercise price per share at date of grant HK\$	Adjusted exercise price per share HK\$
30.05.2016	30.05.2016 to 29.05.2026	0.335	0.321
23.06.2017	23.06.2017 to 22.06.2027	0.305	0.296
09.11.2018	09.11.2018 to 08.11.2028	0.179	N/A

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 22. SHARE-BASED PAYMENTS (Cont'd)

Details of the movement of share options during the period are as follows:

	(Unaudited)			
	Six months ended 31 December 2025		2024	
	Number of share options	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$
Outstanding at beginning and end of period	<u>397,721,900</u>	0.268	<u>397,721,900</u>	0.268
Exercisable at end of period	<u>397,721,900</u>	0.268	<u>397,721,900</u>	0.268

The options outstanding at the end of the reporting period have a weighted average remaining contractual life of 1.56 years (30 June 2025: 2.06 years) and the exercise prices range from HK\$0.179 to HK\$0.321 (30 June 2025: HK\$0.179 to HK\$0.321).

No share options were granted, exercised, cancelled or lapsed during the six months ended 31 December 2024 and 2025.

## 23. PLEDGED OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to secured credit facilities granted to the Group:

	31 December 2025 HK\$'000 (Unaudited)	30 June 2025 HK\$'000 (Audited)
Investment properties	159,500	161,800
Leasehold land and buildings	<u>160,870</u>	<u>164,153</u>
	<u>320,370</u>	<u>325,953</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

For the six months ended 31 December 2025

## 24. RELATED PARTY TRANSACTIONS

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

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Service fee paid to a related company <i>(note (a))</i>	352	352
Compensation of key management personnel <i>(note (b))</i>	<u>1,461</u>	<u>1,461</u>

Notes:

- (a) One of the directors of the Company and his close family member have beneficial and controlling interests in the related company.
- (b) Key management personnel of the Company are comprised of the directors of the Company.

The remuneration of directors are determined by the Board of Directors after recommendation from the remuneration committee, having regard to the responsibilities of the directors, the operating results, individual performance and comparable market statistics.

## 25. APPROVAL OF FINANCIAL STATEMENTS

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 27 February 2026.