



Perfect Optronics Limited

圓美光電有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8311

2025

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\$49.5 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately HK\$52.5 million).
- Loss attributable to equity holders of the Company for the six months ended 30 June 2025 amounted to approximately HK\$12.6 million (six months ended 30 June 2024: profit of approximately HK\$2.3 million).
- The Board does not declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: 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 2025 together with the comparative unaudited figures for the corresponding period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4	49,516	52,506
Cost of sales		(40,525)	(46,042)
Gross profit		8,991	6,464
Other (losses)/gains, net	6	(6,184)	15,023
Distribution and selling expenses		(4,323)	(7,703)
General and administrative expenses		(10,762)	(11,380)
Research and development expenses		(340)	(496)
Operating (loss)/profit		(12,618)	1,908
Finance income		18	59
Finance costs	7	(63)	(131)
Finance costs, net		(45)	(72)
(Loss)/profit before income tax	8	(12,663)	1,836
Income tax (expense)/credit	9	(3)	36
(Loss)/profit for the period		(12,666)	1,872
Other comprehensive (loss)/income:			
<i>Item that may be subsequently reclassified to income statement</i>			
Currency translation differences		(593)	296
<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		225	(276)
Currency translation differences		(384)	91
Total comprehensive (loss)/income for the period		(13,418)	1,983

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
(Loss)/profit for the period attributable to:			
Equity holders of the Company		(12,624)	2,250
Non-controlling interests		(42)	(378)
		(12,666)	1,872
Total comprehensive (loss)/income for the period attributable to:			
Equity holders of the Company		(12,992)	2,270
Non-controlling interests		(426)	(287)
		(13,418)	1,983
Basic and diluted (loss)/earnings per share (HK cents)	11	(0.85)	0.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	553	688
Right-of-use assets	13	—	—
Intangible assets	14	5,322	5,322
Financial asset at fair value through other comprehensive income	3.4	1,593	1,368
		7,468	7,378
Current assets			
Inventories		14,608	5,060
Trade and other receivables	15	4,621	4,871
Financial asset at fair value through profit or loss	3.4	9,581	16,641
Cash and cash equivalents		15,103	24,407
		43,913	50,979
Total assets		51,381	58,357
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		14,837	14,837
Reserves		116,034	116,402
Accumulated losses		(94,290)	(81,666)
		36,581	49,573
Non-controlling interests		(4,589)	(4,163)
Total equity		31,992	45,410

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

	Note	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Bank loan		2,686	3,066
Lease liabilities	13	—	16
Deferred income tax liabilities		6	3
		2,692	3,085
Current liabilities			
Trade and other payables	16	15,780	8,250
Bank loan		754	743
Lease liabilities	13	163	869
		16,697	9,862
Total liabilities		19,389	12,947
Total equity and liabilities		51,381	58,357

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	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 2025	14,837	465,738	67,349	(415,675)	(1,238)	228	(81,666)	49,573	(4,163)	45,410
Comprehensive (loss)/income										
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	465,378	67,349	(415,675)	(1,013)	(365)	(94,290)	36,581	(4,589)	31,992
Balance at 1 January 2024	14,837	465,738	67,349	(415,675)	(1,106)	(88)	(38,760)	92,295	(3,519)	88,776
Comprehensive income/(loss)										
Profit for the period	—	—	—	—	—	—	2,250	2,250	(378)	1,872
Other comprehensive income/(loss)										
Currency translation differences	—	—	—	—	—	296	—	296	91	387
Change in value of financial asset at fair value through other comprehensive income	—	—	—	—	(276)	—	—	(276)	—	(276)
Total other comprehensive income/(loss)	—	—	—	—	(276)	296	—	20	91	111
Total comprehensive income/(loss)	—	—	—	—	(276)	296	2,250	2,270	(287)	1,983
Balance at 30 June 2024	14,837	465,738	67,349	(415,675)	(1,382)	208	(36,510)	94,565	(3,806)	90,759

- 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 2025

	Note	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash used in operating activities		(8,423)	(6,996)
Cash flows from investing activities			
Purchases of property, plant and equipment	12	—	(622)
Interest received		18	59
Net cash generated from/(used in) investing activities		18	(563)
Cash flows from financing activities			
Payments of principal element of lease liabilities	13	(730)	(1,611)
Repayments of bank loan		(369)	(351)
Net cash used in financing activities		(1,099)	(1,962)
Net decrease in cash and cash equivalents		(9,504)	(9,521)
Cash and cash equivalents at beginning of period		24,407	47,372
Exchange differences on cash and cash equivalents		200	(678)
Cash and cash equivalents at end of period		15,103	37,173

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 sales 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 2025 (the "2025 Interim 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 and the disclosure requirements of the GEM Listing Rules. The 2025 Interim Financial Statements do not include all the notes of the type normally included in an annual financial report. Accordingly, the 2025 Interim Financial Statements should be read in conjunction with the annual report for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), and any public announcements made by the Company during the six months ended 30 June 2025.

The 2025 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 2025 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 2025, the Group recorded a loss attributable to equity holders of the Company of HK\$12,624,000 (six months ended 30 June 2024: profit of HK\$2,250,000) and had a net cash outflow from operating activities of HK\$8,423,000 (six months ended 30 June 2024: HK\$6,996,000). As at 30 June 2025, the Group's net current assets position was HK\$27,216,000 (31 December 2024: HK\$41,117,000) with cash and cash equivalents of HK\$15,103,000 (31 December 2024: HK\$24,407,000). The Group experienced recurring losses and multiple challenges from frequent changes in market demands, shrinking sales and the external macro-environment.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on 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 2025 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 dispose of its financial asset at FVTPL with a carrying amount of HK\$9,581,000 as at 30 June 2025 within a certain period;

1. BASIS OF PREPARATION (CONTINUED)

Going concern basis (Continued)

- (ii) the Group will continue to take initiatives to implement cost control measures, including adjusting human resources and streamlining other operating costs; and
- (iii) the Group will continue its efforts to implement measures to strengthen its operating cash flows and working capital position, including adjusting sales activities to better respond to market needs, making efforts to promote sales and deferring discretionary capital expenditures, where necessary.

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 at least for the twelve months after 30 June 2025 to meet its financial obligations as and when they fall due. Accordingly, the Board considers that it is appropriate to prepare the 2025 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 below plans and measures:

- (i) successful disposal of its financial asset at FVTPL within a certain period to generate the cash flow as planned; and
- (ii) successful implementation of measures to control operating costs, adjust sales activities to promote sales and deferring discretionary capital expenditures where necessary, 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 2025 Interim Financial Statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the 2025 Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

A number of new and amended standards became applicable for the current reporting period and they did not have material impacts on the Group. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments.

For those new standards, amendment to standards and interpretations which have been issued but are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group's results and financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The preparation of the 2025 Interim Financial Statements in conformity with HKFRSs 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 2024.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

3.1 Financial instruments by category

The Group holds the following financial instruments at 30 June 2025:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Financial assets		
Financial assets at amortised cost:		
Trade and other receivables	3,025	3,627
Cash and cash equivalents	15,103	24,407
Financial asset at FVOCI	1,593	1,368
Financial asset at FVTPL	9,581	16,641
	29,302	46,043
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	12,792	5,428
Bank loan	3,440	3,809
Lease liabilities	163	885
	16,395	10,122

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 2025 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 2024.

There have been no changes in the risk management policies since year end.

3. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

3.3 Liquidity risk

As at 30 June 2025, 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 2025 (Unaudited)					
Trade payables	322	—	—	—	322
Other payables	12,470	—	—	—	12,470
Bank loan	848	848	1,977	—	3,673
Lease liabilities	165	—	—	—	165
	13,805	848	1,977	—	16,630
At 31 December 2024 (Audited)					
Trade payables	101	—	—	—	101
Other payables	5,327	—	—	—	5,327
Bank loan	848	848	2,402	—	4,098
Lease liabilities	878	17	—	—	895
	7,154	865	2,402	—	10,421

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 2025 and 31 December 2024 on a recurring basis:

	At 30 June 2025				At 31 December 2024			
	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))	9,581	—	—	9,581	16,641	—	—	16,641
Financial asset at FVOCI								
— Unlisted equity securities (Note (b))	—	—	1,593	1,593	—	—	1,368	1,368
	9,581	—	1,593	11,174	16,641	—	1,368	18,009

Notes:

- (a) The balance comprised the Group's holding of 25,213,220 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 have been no additions to or disposal of such investment by the Group during the six months ended 30 June 2025. 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 1.64% as at 30 June 2025 (31 December 2024: 1.66%). 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 2025 (31 December 2024: 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 2025.

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 2025 and 2024:

	Financial asset at FVTPL HK\$'000 (Unaudited)	Financial asset at FVOCI HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Six months ended 30 June 2025			
Opening balance as at 1 January 2025	—	1,368	1,368
Gain recognised in other comprehensive income	—	225	225
Closing balance as at 30 June 2025	—	1,593	1,593
Six months ended 30 June 2024			
Opening balance as at 1 January 2024	35,848	1,500	37,348
Unrealised gain recognised in other gains, net	15,082	—	15,082
Transfer to level 1 (Note)	(50,930)	—	(50,930)
Loss recognised in other comprehensive loss	—	(276)	(276)
Closing balance as at 30 June 2024	—	1,224	1,224

Note: 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. Since the Mobvoi Shares were listed in April 2024, the fair value of this investment can be determined by using quoted prices, it was reclassified from level 3 into level 1.

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")	14.11%	10% increase/(decrease) in WACC would result in (decrease)/increase in fair value by approximately (HK\$135,000)/HK\$189,000

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 2024.

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 2025 are as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Thin film transistor liquid crystal display ("TFT-LCD") panels and modules	36,899	21,372
Health-related products	7,432	6,884
Electronic signage	3,299	7,332
Optics products	113	16,176
Others	1,773	742
	49,516	52,506

- (b) Revenue from external customers of the Group by geographical location for the six months ended 30 June 2025 is shown as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Hong Kong	47,472	46,991
Taiwan	1,424	2,307
Mainland China	620	3,208
	49,516	52,506

- (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 2025 are disclosed as follows:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Customer A	21,008	—
Customer B	10,124	—

5. SEGMENT INFORMATION (CONTINUED)

- (d) An analysis of the Group's non-current assets (other than financial 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 2025 (Unaudited):				
Non-current assets				
Property, plant and equipment	477	3	73	553
Intangible assets	4,200	1,122	—	5,322
	4,677	1,125	73	5,875
As at 31 December 2024 (Audited):				
Non-current assets				
Property, plant and equipment	539	4	145	688
Intangible assets	4,200	1,122	—	5,322
	4,739	1,126	145	6,010

6. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Fair value changes in financial asset at FVTPL	(7,060)	15,082
Net exchange gain/(loss)	778	(233)
Others	98	174
	(6,184)	15,023

7. FINANCE COSTS

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Interest expenses on:		
Bank loan	55	79
Lease liabilities	8	52
	63	131

8. (LOSS)/PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cost of inventories sold	39,792	45,347
Provision/(write back of provision) for obsolete inventories, net	163	(348)
Depreciation of property, plant and equipment (Note 12)	147	55
Depreciation of right-of-use assets (Note 13)	—	122
Provision for impairment of right-of-use assets (Note 13)	—	387

9. INCOME TAX (EXPENSE)/CREDIT

The amount of income tax (charged)/credited to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current income tax — Hong Kong profits tax:		
Adjustments in respect of prior years	—	36
Deferred income tax	(3)	—
	(3)	36

No Hong Kong profits tax has been provided for the six months ended 30 June 2025 and 2024 as the Group has no estimated assessable profit arising in or derived from Hong Kong during the six months ended 30 June 2025 and 2024. 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 2025 (six months ended 30 June 2024: Nil).

11. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit 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	
	2025 (Unaudited)	2024 (Unaudited)
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	(12,624)	2,250
Weighted average number of ordinary shares in issue (thousands)	1,483,687	1,483,687
Basic and diluted (loss)/earnings per share (HK cents per share)	(0.85)	0.15

For the purpose of determining the diluted (loss)/earnings per share amount, no adjustment has been made to the basic (loss)/earnings per share amount for the six months ended 30 June 2025 and 2024 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 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
Six months ended 30 June 2024	
<i>Net book value</i>	
Opening amount as at 1 January 2024	169
Depreciation (Note 8)	(55)
Addition	622
Currency translation differences	(7)
Closing amount as at 30 June 2024	729

13. LEASES

	Right-of-use assets — Properties HK\$'000 (Unaudited)	Lease liabilities HK\$'000 (Unaudited)
As at 1 January 2025	—	885
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
As at 1 January 2024	—	3,407
Additions	509	509
Depreciation expense (Note 8)	(122)	—
Provision for impairment (Note 8)	(387)	—
Interest expense (Note 7)	—	52
Payments of principal element	—	(1,611)
Payments of interest element	—	(52)
Exchange realignment	—	(5)
As at 30 June 2024	—	2,300
Current	—	2,142
Non-current	—	158
	—	2,300

The Group recognised rent expense from short-term leases of HK\$1,431,000 for the six months ended 30 June 2025 (six months ended 30 June 2024: HK\$1,106,000).

14. INTANGIBLE ASSETS

During the six months ended 30 June 2025, there were no movements in the Group's intangible assets (six months ended 30 June 2024: Nil).

15. TRADE AND OTHER RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables (Note)	1,377	1,764
Prepayments, deposits and other receivables	3,244	3,107
	4,621	4,871

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 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0–30 days	923	1,077
31–60 days	106	423
61–90 days	22	48
Over 90 days	326	216
	1,377	1,764

16. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables (Note)	322	101
Deposits received from customers	10,855	3,017
Accruals and other payables	4,603	5,132
	15,780	8,250

16. TRADE AND OTHER PAYABLES (CONTINUED)

Note:

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

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0–30 days	22	49
31–60 days	43	—
61–90 days	—	—
Over 90 days	257	52
	322	101

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 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Short-term employee benefits	3,738	3,845
Post-employment benefits — defined contribution plans	34	34
	3,772	3,879

(b) Guarantee provided by a director

The Group's bank loan as at 30 June 2025, 31 December 2024 and 30 June 2024 was secured by personal guarantee from Mr. Cheng Wai Tak.

18. MAJOR NON-CASH TRANSACTION

During the six months ended 30 June 2024, the Group entered into lease arrangements in respect of properties and right-of-use assets of HK\$509,000 were recognised.

19. EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 June 2025, the Group had in aggregate disposed of 7,515,000 Mobvoi Shares through the open market at an aggregate cash consideration of approximately HK\$6.9 million.

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.

In the first half of 2025, the display panel industry continued recovering from downturn. However, the ongoing uncertainties in trade policies, intensive price competition, weakened demand growth and complex macroeconomic environment presented a challenging business environment and exerted pressure on the Group's financial performance. During the six months ended 30 June 2025 (the "Period"), the Group recorded revenue of approximately HK\$49,516,000, representing a decrease of approximately 6% as compared to approximately HK\$52,506,000 for the six months ended 30 June 2024. The Group recorded a fair value loss of approximately HK\$7,060,000 on its financial asset at FVTPL, being the Group's investment in Mobvoi during the Period, as compared to a fair value gain on financial asset at FVTPL of approximately HK\$15,082,000 for the corresponding period in 2024. Such fair value loss on the Group's financial asset at FVTPL brought about the turnaround of the Group's financial results from profit to loss for the Period. During the Period, the Group recorded a loss attributable to equity holders of the Company of approximately HK\$12,624,000, as compared to a profit attributable to equity holders of the Company of approximately HK\$2,250,000 for the six months ended 30 June 2024. Nevertheless, the Group adhered to a prudent and steady operational strategy during the Period. By optimising operational efficiency and strengthening cost control measures, it effectively achieved a rational reduction in operating expenses, thereby mitigating the pressure of loss for the Period.

During the Period, sales of medium-to-large sized display products, including display panels and modules for computer notebooks, monitors and televisions, remained the key revenue driver of the Group. Market players proactively adjusted their procurement cycles by advancing strategic stocking to mitigate potential cost increase from US tariffs. Such pre-stocking activities driven by US tariffs benefited the sales of the Group's TFT-LCD panels and modules during the Period. Meanwhile, the Group continued to develop new customers which promoted revenue. During the Period, the Group's revenue from TFT-LCD panels and modules amounted to approximately HK\$36,899,000, representing an increase of approximately 73% compared to approximately HK\$21,372,000 in the corresponding period in 2024.

The Group's sales of optics products in 2024 mainly represented automotive head-up display components. During the Period, the intensified price competition in the new energy vehicle industry in mainland China generally affected automotive manufacturers' choice of price-competitive components produced in mainland China. The competitiveness of the Group's optics products (mainly supplied by Taiwan manufacturer) weakened under such market condition. During the Period, revenue of the Group's optics products dropped significantly from approximately HK\$16,176,000 during the six months ended 30 June 2024 to approximately HK\$113,000 during the Period. Facing market adjustment pressures, the Group will continue to work with suppliers to promote new competitive products for new developing automotive models to alleviate the adverse situation.

With the robust development of the multimedia era, the diversified application advantages of electronic advertising displays are gradually becoming evident. However, affected by weak overall market demand during the Period, the sales of the Group's electronic signage products (including digital information signage products, electronic shelf displays, and electronic white boards, etc.) amounted to approximately HK\$3,299,000, representing a decrease of approximately 55% as compared to that of approximately HK\$7,332,000 for the corresponding period in 2024. The decrease was mainly reflected in the decrease in sales of the Group's electronic signage in Taiwan and in education sector.

The Group's health-related products included its "K-clean" brand of personal hygiene and disinfection products, which have established strong market recognition for their premium quality. Despite structural adjustments in demand in the post-pandemic era, the Group's sales of various combination rapid antigen test kits increased during the Period and the Group has widened its sales channels in various clinics and pharmacies, which offset the decrease in sales of disinfection products. Meanwhile, in response to the changes in the market supply and demand pattern, the Group actively refined its product portfolio. In addition to the combination rapid antigen test kits, the Group continued to expand its product portfolio of health food for pets during the Period which enriched the Group product diversification and increased the revenue from health-related products. Sales of the Group's health-related products amounted to approximately HK\$7,432,000 during the Period, representing an increase of approximately 8% as compared to HK\$6,884,000 in the corresponding period in 2024.

Beyond its entry into the pet products sector, the Group also explores other business opportunities in the market. Recognising the rapid growth of the electric vehicle industry driven by policy support and market demand, the Group has also expanded into electric vehicle charging infrastructure sector to sell smart electric vehicle charging equipment and solutions. The expansion of the smart electric vehicle charging business will further realise the Group's diversified business profile.

As to the investment, the Group's financial asset at FVTPL comprised its holding of certain ordinary shares of Mobvoi, which have been listed on the Stock Exchange since April 2024 (Stock Code: 2438). Mobvoi is principally engaged in the rendering of AI software solutions and sale of smart devices and other accessories. The Group had not purchased or disposed any Mobvoi Shares during the Period. As the stock market fluctuates, share price of Mobvoi dropped during the Period and thus the fair value of the Group's investment in Mobvoi dropped from approximately HK\$16,641,000 as at 31 December 2024 to approximately HK\$9,581,000 as at 30 June 2025. Accordingly, a fair value loss on the Group's financial asset at FVTPL of approximately HK\$7,060,000 was recognised during the Period, which represented a significant turnaround as compared to the fair value gain of approximately HK\$15,082,000 was recognised during the corresponding period in 2024 and significantly affected the financial results of the Group during the Period. An ordinary resolution of the Company was passed during the Period to grant a mandate for the disposal by the Group from time to time in the open market or through block trade(s) of up to all Mobvoi Shares held by the Group during the period of 12 months from 21 January 2025. Depending on the prevailing market conditions, the Group may from time to time dispose of up to all of the Mobvoi Shares held to realise its investment in Mobvoi and reallocate its resources to other business needs. In view of the recent rebound in the share price of Mobvoi, subsequent to 30 June 2025, the Group disposed of part of its Mobvoi Shares held and enhanced the cash flow position and liquidity of the Group.

Prospects

Looking forward to the second half of 2025, amid profound global economic uncertainty, it is expected that the business of the Group will remain under pressure. The Group will maintain prudent operational principles to navigate market volatility. The Group will continue to implement measures to efficiently control costs while proactively identifying growth opportunities across different sectors through flexible strategies. Through optimising resources allocation, business diversification and strengthening cooperative relationships with suppliers and customers, we aim to create greater value for shareholders of the Company and achieve long-term enterprise value growth.

Financial Review

Revenue

Total revenue of the Group for the Period amounted to approximately HK\$49,516,000, representing an approximately 6% decrease as compared to approximately HK\$52,506,000 for the six months ended 30 June 2024. Amongst the Group's major products, as compared to the corresponding period in 2024, both TFT-LCD panels and modules and health-related products recorded an increase in revenue, which partially offset the significant drop in revenue from optics products and electronic signage during the Period.

Gross profit

The Group's gross profit for the Period amounted to approximately HK\$8,991,000, which increased by approximately 39% as compared with approximately HK\$6,464,000 for the six months ended 30 June 2024. The increase in gross profit was mainly due to the increase in sales of major products with higher gross profit margin during the Period.

Other (losses)/gains, net

Net other losses of approximately HK\$6,184,000 was recorded for the Period (six months ended 30 June 2024: net other gains of HK\$15,023,000). The balance mainly included the fair value loss of approximately HK\$7,060,000 recognised for the Group's financial asset at FVTPL in respect of its Mobvoi Shares held during the Period (six months ended 30 June 2024: fair value gain of HK\$15,082,000).

Expenses

The Group's distribution and selling expenses for the Period amounted to approximately HK\$4,323,000, which decreased by approximately 44% as compared with approximately HK\$7,703,000 for the six months ended 30 June 2024. The decrease was mainly due to the decrease in promotion expenses and staff costs.

The Group's general and administrative expenses for the Period amounted to approximately HK\$10,762,000, which decreased by approximately 5% as compared with approximately HK\$11,380,000 for the six months ended 30 June 2024. The decrease was mainly due to the streamlining of various operating costs, including travelling expenses and professional fees, during the Period.

The Group's research and development expenses for the Period amounted to approximately HK\$340,000, which decreased by approximately 31% as compared with approximately HK\$496,000 for the six months ended 30 June 2024. 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 and lease liabilities of approximately HK\$55,000 (six months ended 30 June 2024: HK\$79,000) and HK\$8,000 (six months ended 30 June 2024: HK\$52,000), respectively.

(Loss)/profit 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\$12,624,000, as compared to profit attributable to equity holders of the Company for the six months ended 30 June 2024 of approximately HK\$2,250,000. In spite of a reduction in loss incurred by the Group in its business operations for the Period as compared to the corresponding amount of loss in the Group's business operations for the six months ended 30 June 2024, the fair value loss on the Group's financial asset at FVTPL during the Period of approximately HK\$7,060,000 (six months ended 30 June 2024: fair value gain of HK\$15,082,000) brought about the turnaround from profit to loss for the Period.

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 2025 and 31 December 2024 comprised bank deposits, bank balances and cash.

The carrying amounts of the Group's bank deposits, bank balances and cash are denominated in the following currencies:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
United States dollars ("USD")	5,172	9,856
HK\$	5,157	6,556
Renminbi	4,288	7,745
New Taiwan dollars	486	250
	15,103	24,407

As at 30 June 2025, the Group's total bank borrowings comprised bank loan of approximately HK\$3,440,000 (31 December 2024: HK\$3,809,000), which was obtained under the SME Financing Guarantee Scheme launched by the Government of HKSAR, 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 2025 HK\$'000	31 December 2024 HK\$'000
On demand or within a period not exceeding 1 year	754	743
Within a period of more than 1 year but not exceeding 2 years	778	766
Within a period of more than 2 years but not exceeding 5 years	1,908	2,300
Within a period of more than 5 years	—	—
	3,440	3,809

As at 30 June 2025, the Group's net current assets position was HK\$27,216,000 (31 December 2024: HK\$41,117,000) with cash and cash equivalents of HK\$15,103,000 (31 December 2024: HK\$24,407,000). As detailed in note 1 to the 2025 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 at least for the twelve months after 30 June 2025 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 10.8% as at 30 June 2025 (31 December 2024: 8.4%).

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 2025, the Group had no material contingent liabilities (31 December 2024: Nil).

CHARGE OF ASSETS

The Group had no charge of assets as at 30 June 2025 (31 December 2024: 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 2025, the Group did not have any significant capital commitments (31 December 2024: Nil).

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2025, the Group held 25,213,220 ordinary shares of Mobvoi (representing approximately 1.64% of Mobvoi's issued share capital as at 30 June 2025 and with an investment cost of USD3,000,000), 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. There have been no additions to or disposal of such investment by the Group during the Period.

The Group's investment in Mobvoi is classified as financial asset at FVTPL. As at 30 June 2025, the fair value of the Group's investment in Mobvoi was approximately HK\$9,581,000, representing approximately 18.6% of the Group's total assets. No dividend has been received by the Group from Mobvoi since the Group made the investment. A fair value loss of approximately HK\$7,060,000 was recognised on such financial asset during the Period.

The Company considers 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.

On 21 January 2025, an ordinary resolution of the Company was passed to grant a mandate for the disposal (the “Disposal(s)”) by Skyteam Resources Limited, an indirect wholly-owned subsidiary of the Company, from time to time in the open market or through block trade(s) of up to 25,213,220 ordinary shares in the share capital of Mobvoi during the period of 12 months from 21 January 2025 (the “Disposal Mandate”). Details of the possible Disposals and the Disposal Mandate are set out in the circular of the Company dated 31 December 2024.

Subsequent to 30 June 2025, the Group had disposed of 7,515,000 Mobvoi Shares (“Disposed Mobvoi Shares”) through the open market at an aggregate cash consideration of approximately HK\$6.9 million. The aforesaid disposals were conducted pursuant to the Disposal Mandate and the selling prices of the Disposed Mobvoi Shares were not lower than the minimum selling price of HK\$0.70 per Mobvoi Share as stipulated under the terms of the Disposal Mandate. As the aforementioned disposals of Mobvoi Shares were conducted in the open market, the identities of the counterparties of the Disposed Mobvoi Shares cannot be ascertained.

Save for the abovementioned, the Group did not hold any significant investment in equity interest in any other company as at 30 June 2025.

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’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 economic developments and the investment cost. The Board oversees all the investments of the Group, 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 2025.

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 2025, the employee headcount of the Group was 50 (31 December 2024: 53) and the total staff costs, including directors’ emoluments, amounted to approximately HK\$10,466,000 for the Period (six months ended 30 June 2024: HK\$11,692,000).

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 2025, 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 Beneficial owner	923,427,151 (Note)	62.24%
		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 2025, 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 2025, 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 2025, 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 Company had a share option scheme (the "2014 Share Option Scheme") which was approved and adopted by the then sole shareholder of the Company by way of written resolutions passed on 20 January 2014. The 2014 Share Option Scheme expired on 19 January 2024 and a new share option scheme of the Company (the "2024 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 2024 Share Option Scheme since its adoption.

As at 30 June 2025, the number of share options available for grant under the 2024 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 2024 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 OF 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.

* *for identification purpose only*

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.

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.

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to Rule 17.50A of the GEM Listing Rules, the changes in information on Directors are as follows:

Ms. Hsu Wai Man Helen, an independent non-executive Director is appointed as an independent non-executive director of Guolian Minsheng Securities Company Limited, a company listed on the Stock Exchange (stock code: 1456), with effect from 22 August 2025.

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, 29 August 2025