

京信通信系統控股有限公司
Comba Telecom Systems Holdings Limited

股份代號 Stock Code :
香港 Hong Kong : 2342
新加坡 Singapore : STC

Innovation • Brilliant
創新發展 • 再創輝煌



INTERIM REPORT 中期報告

CONTENTS

| | |
|-------|--|
| 2 | Corporate Information |
| 3–18 | Management Discussion and Analysis |
| 19 | Interim Consolidated Statement of Profit or Loss |
| 20 | Interim Consolidated Statement of Comprehensive Income |
| 21–22 | Interim Consolidated Statement of Financial Position |
| 23–24 | Interim Consolidated Statement of Changes in Equity |
| 25–27 | Interim Consolidated Statement of Cash Flows |
| 28–72 | Notes to Interim Condensed Consolidated Financial Statements |



CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Fok Tung Ling (*Chairman*)
Zhang Yue Jun (*Vice Chairman*)
Huo Xinru (*President*)
Chang Fei Fu (*Chief Financial Officer*)
Ye Ka (*Chief Marketing Officer*)
(appointed with effect from
20 August 2025)

NON-EXECUTIVE DIRECTOR

Yi Lei (appointed with effect from
1 April 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ng Yi Kum
Wong Lok Lam
Chong Chee Keong, Chris

COMPANY SECRETARY

Chan Siu Man

AUDIT COMMITTEE

Ng Yi Kum (*Chairman*)
Wong Lok Lam
Chong Chee Keong, Chris

NOMINATION COMMITTEE

Wong Lok Lam (*Chairman*)
Ng Yi Kum
Chong Chee Keong, Chris

REMUNERATION COMMITTEE

Chong Chee Keong, Chris (*Chairman*)
Ng Yi Kum
Wong Lok Lam

EXECUTIVE COMMITTEE (established on 1 April 2025)

Huo Xinru (*Chairman*)
Chang Fei Fu
Sun Shanqiu
Li Yu Wen
Xiang Wei
Li Xuefeng

AUTHORIZED REPRESENTATIVES

Fok Tung Ling
Chang Fei Fu

REGISTERED OFFICE

Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 611
Building 8W
Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204 Unit 2A Block 3
Building D, P.O. Box 1586
Gardenia Court Camana Bay
Grand Cayman KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

SINGAPORE SHARE TRANSFER AGENT

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877
(change of address with effect from
13 January 2025)

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

Comba Telecom Systems Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) reported revenue amounting to HK\$2,199,166,000 (2024: HK\$2,343,455,000) for the six months ended 30 June 2025 (the “Current Period”), representing a decrease by 6.2% over the six months ended 30 June 2024 (the “Prior Period”). The decrease in revenue was mainly attributable to the slowdown of the capital projects on network construction plans by global telecom operators, as well as the Group’s products and businesses were in a transitional phase of upgrading and transformation.

BY CUSTOMERS

During the Current Period, revenue generated from three major telecom operators in the Chinese Mainland and China Tower and their respective subsidiaries decreased by 23.7% over the Prior Period to HK\$817,621,000 (2024: HK\$1,071,277,000), accounting for 37.2% of the Group’s revenue for the Current Period, compared with 45.6% for the Prior Period.

During the Current Period, revenue from other customers in the Chinese Mainland decreased by 10.7% over the Prior Period to HK\$192,648,000 (2024: HK\$215,630,000) and represented 8.8% (2024: 9.2%) of the Group’s revenue.

On the international front, revenue generated from international customers and core equipment manufacturers for the Current Period increased by 13.5% over the Prior Period to HK\$1,106,059,000 (2024: HK\$974,207,000), accounting for 50.3% of the Group’s revenue for the Current Period, as compared to 41.6% for the Prior Period.

During the Current Period, revenue from ETL Company Limited (“ETL”), a telecom operator in Laos and a non-wholly-owned subsidiary of the Group, increased by 0.6% over the Prior Period to HK\$82,838,000 (2024: HK\$82,340,000), accounting for 3.8% (2024: 3.5%) of the Group’s revenue for the Current Period. During the Current Period, the revenue of ETL denominated in Lao Kip, and those converted to Hong Kong dollars, both demonstrated a growing trend.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BY BUSINESSES

During the Current Period, revenue from the base station antennas and subsystems business decreased by 3.2% over the Prior Period to HK\$963,998,000 (2024: HK\$995,652,000), accounting for 43.8% (2024: 42.5%) of the Group's revenue in the Current Period.

During the Current Period, revenue generated from the network system business, including wireless enhancement and wireless access, increased by 22.3% over the Prior Period to HK\$455,972,000 (2024: HK\$372,860,000), accounting for 20.7% (2024: 15.9%) of the Group's revenue for the Current Period.

During the Current Period, revenue from services decreased by 33.3% over the Prior Period to HK\$398,853,000 (2024: HK\$597,687,000), accounting for 18.2% (2024: 25.5%) of the Group's revenue.

During the Current Period, revenue from other businesses (including wireless transmission) increased by 0.9% over the Prior Period to HK\$297,505,000 (2024: HK\$294,917,000), accounting for 13.5% (2024: 12.6%) of the Group's revenue.

GROSS PROFIT

During the Current Period, the Group's gross profit increased by 4.2% to HK\$648,782,000 (2024: HK\$622,613,000) as compared with the Prior Period. The gross profit margin of the Group was 29.5% in the Current Period (2024: 26.6%), increased by 2.9 percentage points as compared with the Prior Period. During the Current Period, the new products of the Group exhibited moderate competitiveness, and the inventory provision was decreased.

OTHER INCOME AND GAINS

During the Current Period, other income and gains decreased by 22.6% to HK\$50,510,000 (2024: HK\$65,232,000) as compared with the Prior Period, accounting for 2.3% (2024: 2.8%) of the Group's revenue. The decrease in other income and gains was mainly due to the changes in foreign exchange rates.

RESEARCH AND DEVELOPMENT ("R&D") EXPENSES

During the Current Period, R&D expenses decreased by 29.5% over the Prior Period to HK\$161,891,000 (2024: HK\$229,653,000), representing 7.4% (2024: 9.8%) of the Group's revenue. As the post-5G era requires multi-technology integration and innovation, the Group focused more on investing resources in R&D activities with high returns.

With its strong commitment to R&D, the Group has made significant advances in creating its own solutions with proprietary intellectual property rights, applying for over 5,900 patents by the end of the Current Period (as at 31 December 2024: approximately 5,900 patents).

SELLING AND DISTRIBUTION ("S&D") EXPENSES

During the Current Period, S&D expenses decreased by 28.7% over the Prior Period to HK\$182,420,000 (2024: HK\$255,832,000), representing 8.3% (2024: 10.9%) of the Group's revenue. The Group continued to improve operational efficiency, optimize cost structures, and focus on more profitable projects.

ADMINISTRATIVE EXPENSES

During the Current Period, administrative expenses decreased by 14.3% over the Prior Period to HK\$177,418,000 (2024: HK\$207,127,000), accounting for 8.1% (2024: 8.8%) of the Group's revenue. The Group is committed to optimizing its strategy for organizational and management structure, thereby improving operational efficiency on a continuous basis.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCE COSTS

During the Current Period, finance costs increased by 47.3% to HK\$19,897,000 (2024: HK\$13,505,000) as compared with the Prior Period, representing 0.9% (2024: 0.6%) of the Group's revenue. Interest income increased by 30.8% to HK\$17,086,000 (2024: HK\$13,063,000), net finance costs was HK\$-2,811,000 (2024: HK\$-442,000).

As at 30 June 2025, the Group's gearing ratio, defined as total interest-bearing bank borrowings divided by total assets, was 12.7%, compared to 11.3% as at 31 December 2024.

OTHER EXPENSES

During the Current Period, other expenses decreased by 46.2% over the Prior Period to HK\$67,223,000 (2024: HK\$124,997,000), representing 3.1% (2024: 5.3%) of the Group's revenue. The decrease in other expenses was mainly due to the decrease in the provision made for receivables during the Current Period, which had no impact on cash flows.

TAX

During the Current Period, the Group's overall taxation charge of HK\$20,244,000 (2024: HK\$14,610,000) comprised an income tax expense of HK\$21,540,000 (2024: HK\$20,809,000) and a deferred tax credit of HK\$1,296,000 (2024: deferred tax charge of HK\$6,199,000).

NET PROFIT/LOSS

The profit attributable to owners of the parent of the Group was HK\$61,781,000 (2024: loss attributable to owners of the parent of HK\$158,433,000 in the corresponding period) during the Current Period.

DIVIDEND

Given the Group's operating results in the Current Period and considering its long-term future development, the board (the "Board") of directors (the "Director(s)") of the Company recommends the distribution of an interim dividend of HK\$0.6 cent per ordinary share of the Company, representing a total dividend payout ratio of 28.7% based on the basic earnings per share (2024: no interim dividend was paid).

PROSPECTS

Looking ahead, opportunities and challenges coexist. The Group will continue to enhance its organizational performance, strengthen its capabilities for independent R&D and innovative breakthroughs, and maintain the inventiveness and competitiveness of its products. By grasping new market opportunities and further exploring customer needs, the Group will provide stable, high-quality and cost-effective products and services to global operators and industry customers.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances for its operations from cash flows generated internally and bank borrowings. As at 30 June 2025, the Group had net current assets of HK\$2,301,943,000. The current assets of the Group comprised inventories of HK\$872,150,000, trade receivables of HK\$2,264,157,000, notes receivable of HK\$157,372,000, prepayments, other receivables and other assets of HK\$252,984,000, restricted bank deposits of HK\$74,603,000, time deposits of HK\$140,845,000 and cash and cash equivalents of HK\$2,040,990,000. The current liabilities of the Group comprised trade and bills payables of HK\$2,641,371,000, other payables and accruals of HK\$482,383,000, interest-bearing bank borrowings of HK\$234,961,000, tax payable of HK\$81,485,000 and provision for product warranties of HK\$60,958,000.

The average receivable (after loss allowance for impairment of trade receivables) turnover for the Current Period was 200 days compared to 260 days for the Prior Period. The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 months, except for certain customers which are granted longer credit term. The balance of trade receivables set out above included retention money, which was for assurance that the products and services comply with agreed-upon specifications, of approximately 10% to 20% of the total contract sum of each project, and are generally settled after final certification of products by customers, which would be performed 6 to 12 months after sale. The average payable turnover for the Current Period was 315 days compared to 364 days for the Prior Period. The average inventory turnover for the Current Period was 106 days compared to 132 days for the Prior Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

As at 30 June 2025, the Group's cash and bank balances were mainly denominated in Renminbi, Hong Kong dollars and United States dollars while the Group's bank borrowings were mainly denominated in Renminbi and Hong Kong dollars. The interest rates on the Group's bank borrowings are principally on a floating basis at prevailing market rates.

In addition to the short-term interest-bearing facilities, the Group entered into 3-year and 5-year term loan facility agreements with certain financial institutions in 2024 and 2025. Details of the Group's bank borrowings are set out in note 14 to these interim condensed consolidated financial statements.

The Group's revenue and expenses, assets and liabilities are mainly denominated in Renminbi, Hong Kong dollars and United States dollars. As at 30 June 2025, the Group has not engaged in hedging activities for managing exchange rate risk (31 December 2024: Nil).

The Group will also closely monitor the fluctuation of exchange rate in other currencies that are relevant to the Group's operations and will consider hedging such foreign currency as appropriate should the need arise.

The Group's gross gearing ratio, defined as total interest-bearing bank borrowings divided by total assets, was 12.7% as at 30 June 2025 (31 December 2024: 11.3%).

The Group's financial position remains sound with sufficient working capital.

MATERIAL ACQUISITIONS AND DISPOSALS

Comba Telecom Technology (Guangzhou) Limited[#] (京信通信技術(廣州)有限公司) ("Comba Guangzhou"), an indirect wholly-owned subsidiary of the Company, as transferee, and Intel Asia Pacific Research and Development Ltd. (英特爾亞太研發有限公司), Guangdong Utrust Industrial Investment Fund Partnership (Limited Partnership)[#] (廣東粵財產業投資基金合夥企業(有限合夥)), Beijing Mount Morning Venture Capital Fund Partnership (Limited Partnership)[#] (北京晨山創業投資基金合夥企業(有限合夥)), Shenzhen Fortune Chuanghong Private Equity Investment Company (Limited Partnership)[#] (深圳市達晨創鴻私募股權投資企業(有限合夥)) and Shenzhen Wisdom Chuangying Private Equity Investment Company (Limited Partnership)[#] (深圳市財智創贏私募股權投資企業(有限合夥)) (collectively, the "Transferors") as transferors, entered into share transfer agreements, pursuant to which Comba Guangzhou agreed to acquire and the Transferors agreed to dispose of an aggregate of approximately 10.7% interest in Comba Network Systems Company Limited (京信網絡系統股份有限公司) ("Comba Network") at a total consideration of approximately RMB331,128,000. The aforesaid acquisitions of interests in Comba Network were completed during the Current Period (the "Acquisitions"). After the Acquisitions, the Group's interest in Comba Network increased from approximately 89.3% to 100% and Comba Network becomes an indirect wholly-owned subsidiary of the Company.

Comba Network is principally engaged in the research and development, manufacturing and sales of wireless telecommunications network system equipment. Focusing on the precise construction needs for "in-depth and extensive coverage to eliminate weak and blind spots", Comba Network offers full-scenario and highly cost-efficient integrated telecommunication and information solutions.

Save as disclosed above, the Group has not conducted any other material acquisitions and disposals of subsidiaries, associates and joint ventures during the Current Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

USE OF PROCEEDS

On 20 March 2025, the Company completed the issuance of 310,407,322 and 31,040,732 new ordinary shares of the Company of a nominal value of HK\$0.10 each to Ocean Link Investment Limited and Intel Capital Corporation respectively at a subscription price of HK\$1.09 per share of the Company (the "Subscriptions").

The Company considered that the Subscriptions represented a good opportunity to strengthen the Group's financial position and provide additional working capital to the Group whilst enlarging the shareholder base and the capital base of the Company. The market price as stated in the daily quotations sheet issued by The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 17 February 2025, being the date of execution of the agreements regarding the Subscriptions, was HK\$1.11 per share of the Company.

The net proceeds from the Subscriptions were approximately HK\$371,685,000 (after deducting the related costs and expenses) and the net subscription price of each share of the Company was approximately HK\$1.0886 (after deducting the related costs and expenses).

As at 30 June 2025, details of the amount of the utilized and unutilized net proceeds from the Subscriptions are set out as follows:

| Net proceeds raised HK\$'000 | Intended use of the net proceeds | Amounts utilized during the Current Period HK\$'000 | Amounts unutilized as at 30 June 2025 HK\$'000 | Expected timeline for utilizing the residual amount of net proceeds* |
|---------------------------------|----------------------------------|--|---|--|
| 371,685 | General working capital | 274,945 | 96,740 | by 31 December 2025 |

* The expected timeline for utilizing the residual amount of the net proceeds is based on the best estimation of the future market conditions made by the Group and will be subject to change based on future development of market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

During the Current Period, the net proceeds from the Subscriptions as indicated in the table above were used, and were proposed to be used, according to the intention previously disclosed by the Company, and there was no material change or delay in the use of proceeds.

RESTRICTED BANK DEPOSITS

Deposit balances of HK\$84,164,000 (31 December 2024: HK\$62,664,000) represented the restricted deposits given to banks in respect of bills payable and performance bonds.

CHARGES ON GROUP ASSETS

As at 30 June 2025, no asset was being pledged to secure the Group's banking facilities.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed in this interim report, as at 30 June 2025, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, as at 30 June 2025, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had contingent liabilities of HK\$311,687,000 (31 December 2024: HK\$294,320,000), which mainly included guarantees given to banks in respect of performance bonds.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group had approximately 4,100 staffs, out of which 1,000 staffs were from ETL (31 December 2024: 4,300 staffs, out of which 1,100 staffs were from ETL). The total staff costs, excluding capitalized development costs, for the Current Period were HK\$325,973,000 (30 June 2024: HK\$555,920,000). The Group offers competitive remuneration schemes to its employees based on industry practices, legal and regulatory requirements, as well as the employees' and the Group's performance. In addition, share options, awarded shares and discretionary bonuses are granted to eligible employees based on the employees' performance, the Group's results, legal and regulatory requirements and in accordance with the share schemes adopted by the Company and other members of the Group. Mandatory provident fund or staff pension schemes are also provided to relevant staffs in Hong Kong, the Chinese Mainland or elsewhere in accordance with relevant legal requirements in such jurisdictions. The Group also provides training to the staffs to improve their skills and develop their respective expertise. The remuneration committee of the Company advised and recommended to the Board on the remuneration policy for all Directors and senior management of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES (INCLUDING SALE OF TREASURY SHARES) OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities and/or sold any treasury shares during the Current Period. As at 30 June 2025, the Company did not hold any treasury shares.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company 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")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Hong Kong Listing Rules"), were as follows:

Long positions in shares of the Company:

| Name of Directors | Notes | Number of ordinary shares held, capacity and nature of interest | | | Percentage of the Company's issued share capital (Approximately) |
|-------------------------------|-------|--|------------------------|-------------|--|
| | | Personal interests | Corporate interests | Total | |
| Mr. Fok Tung Ling ("Mr. Fok") | (a) | 16,302,339 | 678,115,129 | 694,417,468 | 22.37 |
| Mr. Zhang Yue Jun | (b) | – | 228,225,410 | 228,225,410 | 7.35 |
| Mr. Yi Lei ("Mr. Yi") | (c) | – | 310,407,322 | 310,407,322 | 9.99 |

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Long positions in underlying shares of the Company:

| Name of Directors | Capacity and nature of interest | Number of share options held under the share option schemes | Number of shares remained unvested under the share award scheme |
|-------------------|---------------------------------|---|---|
| Ms. Huo Xinru | Beneficial owner | 2,000,000 | – |
| | Beneficiary of a trust | – | 486,000 |
| Mr. Chang Fei Fu | Beneficial owner | 2,000,000 | – |
| | Beneficiary of a trust | – | 336,000 |

Notes:

- (a) These 678,115,129 shares are beneficially owned by Prime Choice Investments Limited, which is wholly owned by Mr. Fok. As such, Mr. Fok is deemed or taken to be interested in the 678,115,129 shares owned by Prime Choice Investments Limited under the SFO.
- (b) These 228,225,410 shares are beneficially owned by Wise Logic Investments Limited, which is wholly owned by Mr. Zhang Yue Jun. As such, Mr. Zhang Yue Jun is deemed or taken to be interested in the 228,225,410 shares owned by Wise Logic Investments Limited under the SFO.
- (c) These 310,407,322 shares are beneficially owned by Ocean Link Investment Limited, which is wholly owned by Mr. Yi. As such, Mr. Yi is deemed or taken to be interested in the 310,407,322 shares owned by Ocean Link Investment Limited under the SFO.

Save as aforesaid, as at 30 June 2025, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position 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) (a) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive of the Company are taken or deemed to have under the provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Save as aforesaid, at no time during the Current Period, the Directors or chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the shares of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any of such rights, required to be disclosed under the SFO.

SHARE OPTION SCHEMES AND SHARE AWARD SCHEME

Details of the share option schemes and share award scheme of the Company (including any issuance of shares of the Company pursuant to these schemes) are set out in note 16 to these interim condensed consolidated financial statements. Save for grants underlying these schemes, no equity-linked agreement was entered into by the Company subsisted at the end of the Current Period or any time during the Current Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "SHARE OPTION SCHEMES AND SHARE AWARD SCHEME" above and in the share option schemes and share award scheme in note 16 to these interim condensed consolidated financial statements, at no time during the Current Period was the Company, any of its subsidiaries, the Company's holding company or any of the holding company's subsidiaries a party to any arrangement to enable the Director to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the following substantial shareholders (as defined under the Hong Kong Listing Rules) of the Company (other than a Director or the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO or otherwise notified to the Company and/or the Hong Kong Stock Exchange as follows:

Long positions:

| Name | Notes | Capacity and nature of interest | Number of ordinary shares held | Percentage of the Company's issued share capital (Approximately) |
|----------------------------------|-------|---------------------------------|--------------------------------|--|
| Prime Choice Investments Limited | | Beneficial owner | 678,115,129 | 21.84 |
| Madam Chen Jing Na | (a) | Interest of spouse | 694,417,468 | 22.37 |
| Ocean Link Investment Limited | | Beneficial owner | 310,407,322 | 9.99 |
| Wise Logic Investments Limited | | Beneficial owner | 228,225,410 | 7.35 |
| Madam Cai Hui Ni | (b) | Interest of spouse | 228,225,410 | 7.35 |

Notes:

- (a) Madam Chen Jing Na is the spouse of Mr. Fok and is deemed to be interested in the 694,417,468 shares in which Mr. Fok is interested or deemed to be interested under the SFO, including the 678,115,129 shares beneficially owned by Prime Choice Investments Limited.
- (b) Madam Cai Hui Ni is the spouse of Mr. Zhang Yue Jun and is deemed to be interested in the 228,225,410 shares in which Mr. Zhang Yue Jun is interested or deemed to be interested under the SFO, including the 228,225,410 shares beneficially owned by Wise Logic Investments Limited.

Save as disclosed above, as at 30 June 2025, no person, other than the Directors or chief executive of the Company, whose interests are set out in the section headed "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register maintained pursuant to Section 336 of the SFO or otherwise notified to the Company and/or the Hong Kong Stock Exchange.

COMPLIANCE WITH CODE PROVISIONS

The Board reviewed daily governance of the Company from time to time in accordance with the principles of good corporate governance and code provisions (the "Code Provisions") as set out in Appendix C1 of the Hong Kong Listing Rules and considered that the Company has complied with all Code Provisions during the Current Period.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Hong Kong Listing Rules as its own code of conduct for dealings in securities transactions of the Company by its Directors. Specific enquiries have been made to all Directors, and they confirmed that they have complied with the required standard as set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the Current Period.

DIRECTORS' BIOGRAPHICAL DETAILS

Pursuant to Rule 13.51B of the Hong Kong Listing Rules, change of Directors' particulars since the publication of the Company's 2024 Annual Report is set out below:

- (a) Ms. Huo Xinru, an executive Director, has been appointed as the chairman of the executive committee (the "Executive Committee") of the Company with effect from 1 April 2025.
- (b) Mr. Chang Fei Fu, an executive Director, has been appointed as a member of the Executive Committee with effect from 1 April 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

AUDIT COMMITTEE

The audit committee (the "Audit Committee") of the Company, together with the management of the Company, have reviewed the accounting principles, standards and practices adopted by the Company, and discussed matters relating to risk management and internal control and financial reporting, including the review of these interim condensed consolidated financial statements for the Current Period. The Audit Committee has reviewed the accounting principles, standards and practices adopted by the Company for these interim condensed consolidated financial statements for the Current Period and does not have any disagreement with the same.

for identification purpose only

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

| | Notes | For the six months ended 30 June | |
|--|-------|----------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| REVENUE | 5 | 2,199,166 | 2,343,455 |
| Cost of sales | | (1,550,384) | (1,720,842) |
| Gross profit | | 648,782 | 622,613 |
| Other income and gains | 5 | 50,510 | 65,232 |
| Research and development expenses | | (161,891) | (229,653) |
| Selling and distribution expenses | | (182,420) | (255,832) |
| Administrative expenses | | (177,418) | (207,127) |
| Other expenses | | (67,223) | (124,997) |
| Finance costs | 7 | (19,897) | (13,505) |
| Share of profit of a joint venture | | 1,136 | 597 |
| PROFIT/(LOSS) BEFORE TAX | 6 | 91,579 | (142,672) |
| Income tax expense | 8 | (20,244) | (14,610) |
| PROFIT/(LOSS) FOR THE PERIOD | | 71,335 | (157,282) |
| Attributable to: | | | |
| Owners of the parent | | 61,781 | (158,433) |
| Non-controlling interests | | 9,554 | 1,151 |
| | | 71,335 | (157,282) |
| EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 10 | | |
| Basic | | HK2.09 cents | HK(5.73) cents |
| Diluted | | HK2.09 cents | HK(5.73) cents |

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

| | For the six months ended 30 June | |
|---|----------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| PROFIT/(LOSS) FOR THE PERIOD | 71,335 | (157,282) |
| OTHER COMPREHENSIVE INCOME | | |
| Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of foreign operations | 93,353 | (138,220) |
| Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods | 93,353 | (138,220) |
| Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods: | | |
| Equity investments designated at fair value through other comprehensive income: | | |
| Changes in fair value, net of tax | 732 | (35,396) |
| Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods | 732 | (35,396) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX | 94,085 | (173,616) |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | 165,420 | (330,898) |
| Attributable to: | | |
| Owners of the parent | 149,212 | (320,725) |
| Non-controlling interests | 16,208 | (10,173) |
| | 165,420 | (330,898) |

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

| | | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|-------|--|--|
| | Notes | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 864,459 | 931,174 |
| Right-of-use assets | | 173,278 | 164,829 |
| Goodwill | | 74,982 | 68,193 |
| Deferred tax assets | | 37,206 | 40,086 |
| Intangible assets | | 551,481 | 554,299 |
| Equity investments designated at fair value through other comprehensive income | | 105,736 | 101,725 |
| Equity investments designated at fair value through profit or loss | | 75,248 | 75,228 |
| Restricted bank deposits | | 9,561 | 16,401 |
| Investment in a joint venture | | 3,803 | 2,751 |
| Total non-current assets | | 1,895,754 | 1,954,686 |
| CURRENT ASSETS | | | |
| Inventories | 11 | 872,150 | 934,874 |
| Trade receivables | 12 | 2,264,157 | 2,550,801 |
| Notes receivable | | 157,372 | 143,731 |
| Prepayments, other receivables and other assets | | 252,984 | 285,988 |
| Restricted bank deposits | | 74,603 | 46,263 |
| Time deposits | | 140,845 | 106,855 |
| Cash and cash equivalents | | 2,040,990 | 1,416,410 |
| Total current assets | | 5,803,101 | 5,484,922 |

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

30 June 2025

| | Notes | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|-------|--|--|
| CURRENT LIABILITIES | | | |
| Trade and bills payables | 13 | 2,641,371 | 2,714,337 |
| Other payables and accruals | | 482,383 | 666,588 |
| Interest-bearing bank borrowings | 14 | 234,961 | 417,602 |
| Tax payable | | 81,485 | 79,494 |
| Provision for product warranties | | 60,958 | 56,978 |
| Redeemable preferred shares in a subsidiary | | – | 173,479 |
| Total current liabilities | | 3,501,158 | 4,108,478 |
| NET CURRENT ASSETS | | 2,301,943 | 1,376,444 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 4,197,697 | 3,331,130 |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing bank borrowings | 14 | 742,492 | 423,568 |
| Deferred government grant | | 18,729 | 18,445 |
| Deferred tax liabilities | | 138,190 | 136,390 |
| Lease liabilities | | 46,285 | 39,373 |
| Total non-current liabilities | | 945,696 | 617,776 |
| Net assets | | 3,252,001 | 2,713,354 |
| EQUITY | | | |
| Equity attributable to owners of the parent | | | |
| Issued capital | 15 | 310,411 | 276,263 |
| Treasury shares | | (22,818) | (22,818) |
| Reserves | 17 | 2,903,530 | 2,398,934 |
| Non-controlling interests | | 3,191,123 60,878 | 2,652,379 60,975 |
| Total equity | | 3,252,001 | 2,713,354 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

| | Attributable to owners of the parent | | | | | | | | | | | Total equity HK\$'000 |
|---|--------------------------------------|--------------------------|--------------------------------|---|--------------------------|------------------------------------|----------------------------|---------------------------------------|--|---------------------------|------------------------------------|-----------------------|
| | Issued capital HK\$'000 | Treasury shares HK\$'000 | Share premium account HK\$'000 | Share-based compensation reserve HK\$'000 | Capital reserve HK\$'000 | Asset revaluation reserve HK\$'000 | Statutory reserve HK\$'000 | Exchange fluctuation reserve HK\$'000 | Fair value reserve of equity investments at FVOCI HK\$'000 | Retained profits HK\$'000 | Non-controlling interests HK\$'000 | |
| Notes | | | | | | | | | | | | |
| At 1 January 2024 | 276,576 | (22,818) | 1,469,365 | 166,375 | 22,655 | 62,366 | 215,911 | (158,836) | 64,059 | 1,465,897 | 244,836 | 3,826,366 |
| (Loss)/profit for the period | - | - | - | - | - | - | - | - | - | (158,433) | 1,151 | (157,282) |
| Other comprehensive income for the period: | | | | | | | | | | | | |
| Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax | - | - | - | - | - | - | - | - | (35,396) | - | - | (35,396) |
| Exchange differences related to foreign operations | - | - | - | - | - | - | - | (126,896) | - | - | (11,324) | (138,220) |
| Total comprehensive loss for the period | - | - | - | - | - | - | - | (126,896) | (35,396) | (158,433) | (10,173) | (330,898) |
| Share option scheme | - | - | - | - | - | - | - | - | - | - | - | - |
| - value of services | - | - | - | 1,811 | - | - | - | - | - | - | 1,811 | 1,811 |
| - exercise of share options | - | - | - | - | - | - | - | - | - | - | - | - |
| - transfer of share option reserve upon the forfeiture or expiry of share options | - | - | - | (46,725) | - | - | - | - | - | 46,725 | - | - |
| Share incentive scheme | - | - | - | - | - | - | - | - | - | - | - | - |
| - value of services | - | - | - | 13,408 | - | - | - | - | - | - | 13,408 | 13,408 |
| Dividends paid to non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | (28,148) | (28,148) |
| Repurchase and cancellation of shares | (298) | (92) | (1,376) | - | - | - | - | - | - | - | (1,766) | (1,766) |
| Transfer to/from retained profits | - | - | - | - | - | (1,508) | - | - | - | 1,508 | - | - |
| At 30 June 2024 (unaudited) | 276,278 | (22,910) | 1,467,989 | 134,869 | 22,655 | 60,858 | 215,911 | (285,732) | 28,663 | 1,375,697 | 206,515 | 3,480,773 |

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For the six months ended 30 June 2025

| | Notes | Attributable to owners of the parent | | | | | | | | | | Non-controlling interests HK\$'000 | Total equity HK\$'000 |
|---|-------|--------------------------------------|--------------------------|--------------------------------|---|--------------------------|------------------------------------|----------------------------|---------------------------------------|--|---------------------------|------------------------------------|-----------------------|
| | | Issued capital HK\$'000 | Treasury shares HK\$'000 | Share premium account HK\$'000 | Share-based compensation reserve HK\$'000 | Capital reserve HK\$'000 | Asset revaluation reserve HK\$'000 | Statutory reserve HK\$'000 | Exchange fluctuation reserve HK\$'000 | Fair value reserve of equity investments at FVOCI HK\$'000 | Retained profits HK\$'000 | Total HK\$'000 | |
| At 1 January 2025 | | 276,263 | (22,818) | 1,467,931* | 160,889* | 23,777* | 59,351* | 216,744* | (568,455)* | 64,488* | 974,209* | 2,652,379 | 2,713,354 |
| Profit for the period | | - | - | - | - | - | - | - | - | - | 61,781 | 61,781 | 71,335 |
| Other comprehensive income for the period: | | | | | | | | | | | | | |
| Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax | | - | - | - | - | - | - | - | - | 732 | - | 732 | 732 |
| Exchange differences related to foreign operations | | - | - | - | - | - | - | - | 86,699 | - | - | 86,699 | 93,353 |
| Total comprehensive income for the period | | - | - | - | - | - | - | - | 86,699 | 732 | 61,781 | 149,212 | 165,420 |
| Impact of hyperinflation | 15 | 34,145 | - | - | - | - | - | - | - | - | 16,558 | 16,558 | 16,558 |
| Issue of shares | | - | - | 338,526 | - | - | - | - | - | - | - | 372,671 | 372,671 |
| Share issue expenses | | - | - | (493) | - | - | - | - | - | - | - | (493) | (493) |
| Share option scheme | | - | - | - | - | - | - | - | - | - | - | - | - |
| - value of services | | - | - | 49 | 17 | - | - | - | - | - | - | 17 | 17 |
| - exercise of share options | | 3 | - | - | (11) | - | - | - | - | - | - | 41 | 41 |
| - transfer of share option reserve upon the forfeiture or expiry of share options | | - | - | - | (5,401) | - | - | - | - | - | 5,401 | - | - |
| Share incentive scheme | | - | - | - | - | - | - | - | - | - | - | - | - |
| - value of services | | - | - | - | 738 | - | - | - | - | - | - | 738 | 738 |
| Dividends paid to non-controlling shareholders | | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to/from retained profits | | - | - | - | - | - | (1,508) | - | - | - | 1,508 | (16,305) | (16,305) |
| At 30 June 2025 (unaudited) | | 310,411 | (22,818) | 1,806,013* | 156,232* | 23,777* | 57,843* | 216,744* | (481,756)* | 65,228* | 1,059,457* | 3,191,123 | 3,252,001 |

* These reserve accounts comprise the consolidated reserves of HK\$2,903,530,000 (31 December 2024: HK\$2,398,934,000) in the interim consolidated statement of financial position.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

| | | For the six months ended 30 June | |
|--|-------|----------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| | Notes | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/(loss) before tax | | 91,579 | (142,672) |
| Adjustments for: | | | |
| Interest income | 5 | (17,086) | (13,063) |
| Finance costs | 7 | 19,897 | 13,505 |
| Share of profit of a joint venture | | (1,136) | (597) |
| Depreciation of property, plant and equipment | 6 | 103,420 | 69,728 |
| Depreciation of right-of-use assets | 6 | 25,691 | 26,487 |
| Amortisation of intangible assets | | 62,041 | 40,242 |
| Hyperinflation monetary adjustments | | (2,175) | – |
| Equity-settled share option expense | 6 | 17 | 1,811 |
| Loss on disposal of items of property, plant and equipment | 6 | – | 4,003 |
| Awarded share expense | 6 | 738 | 13,408 |
| Loss on fair value change of financial assets at fair value through profit or loss | 6 | – | 1,439 |
| (Gain)/loss on fair value change of redeemable preferred shares in a subsidiary | 6 | (13,092) | 2,656 |
| Loss on equity investments designated at fair value through profit or loss | 6 | 2,167 | 21,371 |
| | | 272,061 | 38,318 |
| Decrease in inventories | | 90,440 | 131,996 |
| Decrease in trade receivables | | 362,270 | 246,611 |
| Increase in notes receivable | | (9,380) | (7,734) |
| Decrease in prepayments, other receivables and other assets | | 41,484 | 68,521 |
| Decrease in trade and bills payables | | (153,440) | (312,565) |
| (Decrease)/increase in other payables and accruals | | (138,828) | 10,572 |
| Increase/(decrease) in deferred government grant | | 284 | (1,008) |
| Increase in provision for product warranties | | 2,246 | 636 |
| | | 467,137 | 175,347 |
| Cash generated from operations | | 467,137 | 175,347 |
| Mainland China profits tax paid | | (9,346) | (16,079) |
| HK profits tax paid | | – | (176) |
| Overseas profits taxes paid | | (6,421) | (1,720) |
| Net cash flows from operating activities | | 451,370 | 157,372 |

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the six months ended 30 June 2025

| | | For the six months ended 30 June | |
|--|-------|-------------------------------------|---------------------------------|
| | Notes | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | | 17,086 | 13,063 |
| Purchases of items of property, plant and equipment | | (26,930) | (23,663) |
| Additions of intangible assets | | (49,576) | (14,199) |
| Proceeds from disposal of items of property, plant and equipment | | – | 9,729 |
| (Increase)/decrease in time deposits | | (30,822) | 75,208 |
| (Increase)/decrease in restricted bank deposits | | (19,642) | 37,366 |
| Net cash flows (used in)/from investing activities | | (109,884) | 97,504 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| New bank loans | | 598,444 | 568,258 |
| Repayment of bank loans | | (367,196) | (464,336) |
| Principal portion of lease payments | | (22,290) | (25,918) |
| Proceeds from exercise of share options | | 41 | – |
| Payment for share repurchase | | – | (1,766) |
| Interest paid | | (19,897) | (13,505) |
| Dividends paid to the non-controlling shareholders | | (493) | – |
| Issue of shares, net of expenses | | 372,178 | – |
| Repayment of redeemable preferred shares in a subsidiary | | (226,574) | – |
| Dividend paid | | – | (28,148) |
| Net cash flows from financing activities | | 334,213 | 34,585 |

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the six months ended 30 June 2025

| | Notes | For the six months ended 30 June | |
|---|-------|-------------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 675,699 | 289,461 |
| Cash and cash equivalents at beginning of period | | 1,416,410 | 1,188,457 |
| Effect of foreign exchange rate changes, net | | (51,119) | (39,599) |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | 2,040,990 | 1,438,319 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | | 2,040,990 | 1,432,027 |
| Non-pledged time deposits with original maturity of less than three months when acquired | | – | 6,292 |
| Cash and cash equivalents as stated in the consolidated statement of financial position | | 2,040,990 | 1,438,319 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

1. CORPORATE INFORMATION

Comba Telecom Systems Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 17 May 2002 under the Cayman Islands Companies Act.

The head office and principal place of business of the Company is located at Unit 611, Building 8W, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong.

During the period, the Group was principally engaged in the research, development, manufacture and sale of wireless telecommunications network system equipment, the provision of related engineering services and the provision of operator telecommunication services and their value added services.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

Jiafu Investments Limited and subsidiaries which are named as Jiafu Holdings Limited and ETL Company Limited (hereafter referred to as “Jiafu Group”) is principally engaged in provision of operator telecommunication services in Lao People’s Democratic Republic (“Lao P.D.R.”). During the fourth quarter of 2024, the International Monetary Fund World Economic Outlook reported a 3-year cumulative rate of inflation of 82% as of December 2023 and forecast 3-year cumulative rates of inflation of between 99% and 159% for years ending between 2024 and 2027. The Lao Statistics Bureau reported 3-year and 12-month cumulative rates of inflation of 105% and 22%, respectively, as of September 2024. Based on the current level of inflation and its expected rise, the directors believe that Lao P.D.R. should be considered hyperinflationary as of 31 December 2024.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

2. BASIS OF PREPARATION (Cont'd)

In accordance with HKAS 21, when the financial statements of a hyperinflationary subsidiary are translated into the non-hyperinflationary presentation currency for consolidation into the financial statements of the parent, the comparative amounts in annual and interim financial statements are not adjusted. Therefore, the comparative amounts of Jiafu Group included in this interim financial report were not restated.

The interim condensed consolidated financial statements do not include all the 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.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

Lack of Exchangeability

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

- (a) Wireless telecommunications network system equipment and services
- (b) Operator telecommunication services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit/(loss) before tax.

| Period ended 30 June 2025 | Wireless telecommunications network system equipment and services HK\$'000 (Unaudited) | Operator telecommunication services HK\$'000 (Unaudited) | Total HK\$'000 (Unaudited) |
|---------------------------|--|--|----------------------------------|
| Revenue | 2,116,328 | 82,838 | 2,199,166 |
| Profit/(loss) before tax | 126,375 | (34,796) | 91,579 |
| Segment assets | 7,394,653 | 730,951 | 8,125,604 |
| Elimination | | | (426,749) |
| Total assets | | | 7,698,855 |
| Segment liabilities | 4,285,750 | 587,853 | 4,873,603 |
| Elimination | | | (426,749) |
| Total liabilities | | | 4,446,854 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

4. OPERATING SEGMENT INFORMATION (Cont'd)

| | Wireless telecommunications network system equipment and services HK\$'000 (Unaudited) | Operator telecommunication services HK\$'000 (Unaudited) | Total HK\$'000 (Unaudited) |
|-----------------------------|--|--|----------------------------------|
| Period ended 30 June 2024 | | | |
| Revenue | 2,261,115 | 82,340 | 2,343,455 |
| Loss before tax | (120,415) | (22,257) | (142,672) |
| Year ended 31 December 2024 | | | |
| Segment assets | 7,128,950 | 731,943 | 7,860,893 |
| Elimination | | | (421,285) |
| Total assets | | | 7,439,608 |
| Segment liabilities | 4,571,144 | 576,395 | 5,147,539 |
| Elimination | | | (421,285) |
| Total liabilities | | | 4,726,254 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

4. OPERATING SEGMENT INFORMATION (Cont'd) GEOGRAPHICAL INFORMATION

(a) Revenue from external customers

| | For the six months ended 30 June | |
|-------------------------------|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Mainland China | 1,381,507 | 1,576,903 |
| Other countries/areas in Asia | | |
| Pacific | 233,472 | 291,351 |
| Americas | 343,739 | 309,124 |
| European Union | 209,355 | 152,320 |
| Middle East | 23,095 | 9,596 |
| Other countries | 7,998 | 4,161 |
| | 2,199,166 | 2,343,455 |

The revenue information above is based on the locations of the customers.

(b) Non-current assets

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|-------------------------------------|--|--|
| Mainland China | 1,343,357 | 1,383,055 |
| Lao People's Democratic Republic | 481,233 | 514,628 |
| Other countries/regions | 71,164 | 57,003 |
| | 1,895,754 | 1,954,686 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

4. OPERATING SEGMENT INFORMATION (Cont'd)

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue of approximately HK\$362,206,000 (six months ended 30 June 2024: HK\$426,493,000), HK\$176,906,000 (six months ended 30 June 2024: HK\$223,798,000) and HK\$159,616,000 (six months ended 30 June 2024: HK\$293,648,000) was derived from 3 major customers, which accounted for 16.5% (six months ended 30 June 2024: 18.2%), 8.0% (six months ended 30 June 2024: 9.5%) and 7.3% (six months ended 30 June 2024: 12.5%) of the total revenue of the Group, respectively.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold and services rendered during the period, net of value-added tax (the "VAT"), and after allowances for returns and trade discounts. All significant intra-group transactions have been eliminated on consolidation.

An analysis of revenue is as follows:

| | For the six months ended 30 June | |
|---|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Revenue | | |
| Manufacture and sale of wireless telecommunications network system equipment and provision of related installation services | 2,116,328 | 2,261,115 |
| Provision of operator telecommunication services | 82,838 | 82,340 |
| | 2,199,166 | 2,343,455 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

5. REVENUE, OTHER INCOME AND GAINS (Cont'd) REVENUE FROM CONTRACTS WITH CUSTOMERS

| | For the six months ended 30 June | |
|--|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Type of customers | | |
| PRC state-owned telecommunication operator groups | 817,621 | 1,071,277 |
| Other customers | 1,381,545 | 1,272,178 |
| Total revenue from contracts with customers | 2,199,166 | 2,343,455 |
| | | |
| | For the six months ended 30 June | |
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Timing of revenue recognition | | |
| Transferred at a point in time | 2,116,328 | 2,261,115 |
| Transferred over time | 82,838 | 82,340 |
| Total revenue from contracts with customers | 2,199,166 | 2,343,455 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

5. REVENUE, OTHER INCOME AND GAINS (Cont'd)

An analysis of other income and gains is as follows:

| | For the six months ended 30 June | |
|--|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Other income and gains | | |
| Bank interest income | 17,086 | 13,063 |
| Government subsidies* | 9,478 | 16,560 |
| Exchange gain, net | – | 25,095 |
| VAT refunds | 367 | 1,398 |
| Gross rental income | 6,502 | 6,411 |
| Gain on disposal of redeemable preferred shares in a subsidiary | 13,092 | – |
| Scrapped and recycled items sales income | 204 | 207 |
| Penalty income | 1,250 | 814 |
| Other miscellaneous income | 2,531 | 1,684 |
| | 50,510 | 65,232 |

* The government subsidies represent various cash payments and subsidies provided by the government authorities to the Group as encouragement to its technological innovation, intellectual property and investment on research and development. There are no unfulfilled conditions or contingencies relating to these subsidies.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

6. PROFIT/(LOSS) BEFORE TAX

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

| | Note | For the six months ended 30 June | |
|--|-------|-------------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Cost of inventories sold and services provided | | 1,525,530 | 1,665,066 |
| Depreciation of property, plant and equipment ^{##} | | 103,420 | 69,728 |
| Depreciation of right-of-use assets | | 25,691 | 26,487 |
| Amortisation of computer software, technology and operating license ^{##} | | 18,372 | 15,385 |
| Research and development expenses: | | | |
| Deferred expenditure amortised | | 43,670 | 24,857 |
| Current period expenditure | | 118,221 | 204,796 |
| | | 161,891 | 229,653 |
| Employee benefit expense (including directors' remuneration): | | | |
| Salaries and wages | | 279,032 | 477,148 |
| Staff welfare expenses | | 17,169 | 28,274 |
| Equity-settled share option expense | 16(a) | 17 | 1,811 |
| Awarded share expenses | | 738 | 13,408 |
| Pension scheme contributions (defined contribution scheme) [#] | | 29,017 | 35,279 |
| | | 325,973 | 555,920 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

6. PROFIT/(LOSS) BEFORE TAX (Cont'd)

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

| | Note | For the six months ended 30 June | |
|--|------|-------------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Net loss on equity investments designated at fair value through profit or loss | | 2,167 | 21,371 |
| Loss on fair value change of financial assets at fair value through profit or loss | | – | 1,439 |
| Provision for product warranties [^] | | 6,458 | 5,920 |
| Write-down of inventories to net realisable value [^] | | 15,761 | 40,409 |
| (Reversal)/impairment of trade receivables and notes receivable ^{###} | | (1,439) | 48,828 |
| Impairment/(reversal) of financial assets included in prepayments, other receivables and other assets ^{###} | | 1,095 | (4,605) |
| Loss on disposal of items of property, plant and equipment ^{###} | | – | 4,003 |
| (Gain)/loss on fair value change of redeemable preferred shares in a subsidiary ^{###} | | (13,092) | 2,656 |
| Foreign exchange differences, net | | 40,473 | (25,095) |
| Hyperinflation monetary adjustments | | (2,175) | – |

[^] The provision for product warranties and write-down of inventories to net realizable value for the period were included in "Cost of sales" in the consolidated statement of profit or loss.

[#] As at 30 June 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (as at 30 June 2024: Nil).

^{##} The depreciation of certain property, plant and equipment and amortization of operating license amounting to HK\$56,699,000 (six months ended 30 June 2024: HK\$30,736,000) and HK\$11,247,000 (six months ended 30 June 2024: HK\$11,661,000) are included in "Other expenses" in the consolidated statement of profit or loss.

^{###} These items are included in "Other expenses" and "Other income and gains" in the consolidated statement of profit or loss, respectively.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

7. FINANCE COSTS

| | For the six months ended 30 June | |
|-------------------------------|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Interest on bank borrowings | 17,404 | 10,715 |
| Interest on lease liabilities | 2,493 | 2,790 |
| | 19,897 | 13,505 |

8. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

| | For the six months ended 30 June | |
|--|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Current – charge for the period | | |
| Hong Kong | 5,520 | 2,485 |
| Mainland China | 11,986 | 17,655 |
| Elsewhere | 4,034 | 286 |
| Current – under provision in prior periods | – | 383 |
| Deferred | (1,296) | (6,199) |
| Total tax charge for the period | 20,244 | 14,610 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

8. INCOME TAX (Cont'd)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for certain group entities which are entitled to various concessionary tax rates or tax exemptions and reliefs.

9. DIVIDENDS

| | For the six months ended 30 June | |
|---|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Final dividend declared and paid | – | – |
| Interim dividend – HK0.6 cent (2024: nil) per ordinary share | 18,625 | – |

Note:

On 19 August 2025, the Board declared an interim dividend of HK0.6 cent (six months ended 30 June 2024: nil) per ordinary share, amounting to a total of approximately HK\$18,625,000.

NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONT'D)

30 June 2025

10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO
ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/loss per share amounts is based on the profit/loss for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,957,689,000 (six months ended 30 June 2024: 2,765,753,000) outstanding during the period.

The calculation of the diluted earnings/loss per share amounts is based on the profit/loss for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings/loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/loss per share are based on:

| | For the six months ended 30 June | |
|--|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Earnings/(Loss) | | |
| Profit/(Loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations | 61,781 | (158,433) |

**NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONT'D)**

30 June 2025

**10. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO
ORDINARY EQUITY HOLDERS OF THE PARENT (Cont'd)**

| | Number of shares For the six months ended 30 June | |
|--|--|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) |
| Shares | | |
| Weighted average number of ordinary shares outstanding during the period used in the basic earnings/loss per share calculations | 2,957,689,000 | 2,765,753,000 |
| Effect of dilution – weighted average number of ordinary shares: | | |
| Share options | – | – |
| | 2,957,689,000 | 2,765,753,000 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

11. INVENTORIES

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---------------------|--|--|
| Raw materials | 186,146 | 193,132 |
| Project materials | 35,140 | 23,726 |
| Work in progress | 73,772 | 55,738 |
| Finished goods | 431,800 | 414,377 |
| Inventories on site | 145,292 | 247,901 |
| | 872,150 | 934,874 |

12. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally 3 months, except for certain customers which are granted with a longer credit term. The balances also include retention money, which is for assurance that the product and services comply with agreed-upon specifications, of approximately 10% to 20% of the total contract sum of each project and are generally receivable after final certification of products by customers, which would be performed 6 to 12 months after sale. The credit terms for major customers are reviewed regularly by senior management of the Group. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize the credit risk. Overdue balances are reviewed regularly by senior management of the Group. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest-bearing.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

12. TRADE RECEIVABLES (Cont'd)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--------------------------|--|--|
| Within 3 months | 863,612 | 959,025 |
| 4 to 6 months | 385,168 | 418,467 |
| 7 to 12 months | 378,654 | 504,292 |
| More than 1 year | 1,364,207 | 1,381,462 |
| | 2,991,641 | 3,263,246 |
| Provision for impairment | (727,484) | (712,445) |
| | 2,264,157 | 2,550,801 |

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on groupings of various customer segments with similar loss patterns (i.e., geography, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off when there is information indicating that the counterparty is in severe financial difficulty or there is no realistic prospect of future recovery.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

12. TRADE RECEIVABLES (Cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 30 June 2025

| | Current | Past due | | Total | |
|--------------------------------------|-----------|------------------|--------------|---------|-----------|
| | | Less than 1 year | Over 2 years | | |
| Expected credit loss rate | 1.14% | 6.86% | 17.94% | 89.36% | |
| Gross carrying amount (HK\$'000) | 1,640,578 | 440,680 | 189,099 | 721,284 | 2,991,641 |
| Expected credit losses (HK\$'000) | 18,746 | 30,235 | 33,931 | 644,572 | 727,484 |

As at 31 December 2024

| | | Past due | | | |
|--------------------------------------|-----------|---------------------|-----------|-----------------|-----------|
| | Current | Less than 1 year | 1-2 years | Over 2 years | Total |
| Expected credit loss rate | 1.32% | 7.29% | 17.83% | 88.79% | |
| Gross carrying amount (HK\$'000) | 1,907,613 | 486,773 | 168,732 | 700,128 | 3,263,246 |
| Expected credit losses (HK\$'000) | 25,236 | 35,481 | 30,080 | 621,648 | 712,445 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

13. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|------------------|--|--|
| Within 3 months | 1,204,983 | 1,331,680 |
| 4 to 6 months | 635,448 | 460,730 |
| 7 to 12 months | 145,811 | 326,813 |
| More than 1 year | 655,129 | 595,114 |
| | 2,641,371 | 2,714,337 |

The trade payables are non-interest-bearing and are normally settled within a period of 3 months and are extendable to a longer period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

14. INTEREST-BEARING BANK BORROWINGS

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| Analysed into: | | |
| Within 1 year or on demand | 234,961 | 417,602 |
| In the 2nd year | 402,822 | 230,568 |
| In the 3rd year to 5th years, inclusive | 339,670 | 193,000 |
| | 977,453 | 841,170 |

As at 30 June 2025, loans denominated in Hong Kong dollars and RMB amounted to Nil (31 December 2024: Nil) and HK\$977,453,000 (31 December 2024: HK\$841,170,000), respectively.

The Company and five of its wholly-owned subsidiaries were parties to the bank loans acting as guarantors, to guarantee punctual performance of the obligations under the loan facilities.

Bank loans as at 30 June 2025 bear interest at rates ranging from 2.3% to 3.15% (31 December 2024: from 2.6% to 3.4%) per annum.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

15. SHARE CAPITAL

| | Notes | Number of ordinary shares of HK\$0.10 each | HK\$'000 |
|--|-------|---|----------|
| Authorized: | | | |
| 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025 | | 5,000,000,000 | 500,000 |
| Issued and fully paid or credited as fully paid: | | | |
| As at 1 January 2024 | | 2,765,752,668 | 276,576 |
| Share option scheme | | | |
| – exercise of share options | (i) | 12,500 | 1 |
| Cancellation of repurchased shares | (ii) | (3,140,000) | (314) |
| As at 31 December 2024 and 1 January 2025 | | 2,762,625,168 | 276,263 |
| Share option scheme | | | |
| – exercise of share options | (iii) | 37,000 | 3 |
| Issue of shares | (iv) | 341,448,054 | 34,145 |
| As at 30 June 2025 | | 3,104,110,222 | 310,411 |

As at 30 June 2025, the total number of issued ordinary shares of the Company was 3,104,110,222 (31 December 2024: 2,762,625,168) shares which included 16,637,136 (31 December 2024: 16,637,136) shares held under the share award scheme adopted by the shareholders of the Company on 22 May 2023 (the “2023 Share Award Scheme”) as transitioned from the previous share award scheme (the “2011 Share Award Scheme”) which was adopted by the shareholders of the Company on 25 March 2011, renewed on 25 March 2021 and terminated on 22 May 2023 (note 16(b)).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

15. SHARE CAPITAL (Cont'd)

Notes:

- (i) During the year ended 31 December 2024, the subscription rights attaching to 12,500 share options were exercised at the exercise price of HK\$1.116 per share, resulting in the issue of 12,500 shares of HK\$0.10 each for a total cash consideration (before expenses) of approximately HK\$14,000.
- (ii) During the year ended 31 December 2024, the Company repurchased a total of 3,140,000 shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") for an aggregate amount of approximately HK\$1,771,000 ranging from HK\$0.51 to HK\$0.63 per share. All of the repurchased shares of the Company were cancelled during the year ended 31 December 2024.
- (iii) During the six months ended 30 June 2025, the subscription rights attaching to 37,000 share options were exercised at the exercise price of HK\$1.116 per share, resulting in the issue of 37,000 shares of HK\$0.10 each for a total cash consideration (before expenses) of approximately HK\$41,000.
- (iv) During the six months ended 30 June 2025, the Company completed the issuance of a total of 341,448,054 ordinary shares of the Company of a nominal value of HK\$0.10 each at a subscription price of HK\$1.09 per share of the Company (the "Subscriptions"). The net proceeds from the Subscriptions were approximately HK\$371,685,000 (after deducting the related costs and expenses) which would result in the additional share capital of approximately HK\$34,145,000 and share premium of approximately HK\$338,033,000.

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME

(a) SHARE OPTION SCHEMES

A share option scheme (the "2013 Share Option Scheme") was adopted by the shareholders of the Company on 3 June 2013 and terminated on 22 May 2023. Upon termination, no further options were granted but the provisions of the 2013 Share Option Scheme remained in full force and effect in respect of any options granted before its termination but not yet exercised.

The purpose of the 2013 Share Option Scheme is to provide incentives and rewards to eligible persons for their contribution or potential contribution to the success of the Group's operations. Eligible persons of the 2013 Share Option Scheme include (i) any directors (whether executive or non-executive, including independent non-executive directors) or employees (whether full time or part time) of, or individual for the time being seconded to work for; (ii) any holders of any securities issued by; (iii) any business or joint venture partners, contractors, agents or representatives of; (iv) any persons or entities that provide research, development or technological support or any advisory, consultancy or professional services incidental to the business of the Group to; (v) any investors, vendors, suppliers, developers or licensors of; or (vi) any customers, licencees (including sub-licensees), wholesalers, retailers, traders or distributors of goods or services of, any member of the Group, the Company's controlling shareholders or companies controlled by the Company's controlling shareholders.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2013 Share Option Scheme, the 2011 Share Award Scheme and any other share incentive schemes of the Company shall not exceed 30% of the shares of the Company in issue at any time, pursuant to the 2013 Share Option scheme and the 2011 Share Award Scheme. The maximum number of shares issued and to be issued upon exercise of share options granted to each eligible person under the 2013 Share Option Scheme and any other share schemes of the Company (including cancelled, exercised and outstanding share options) in any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

Share options granted under the 2013 Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval by the independent non-executive directors of the Company. In addition, any share options granted under the 2013 Share Option Scheme and any other share schemes of the Company (including share options exercised, cancelled and outstanding) to a substantial shareholder of the Company or an independent non-executive director of the Company, or to any of their respective associates, in excess of in aggregate 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of grant of the share options) in excess of HK\$5 million, in any 12-month period up to and including the date of such grant, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options under the 2013 Share Option Scheme may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$10 in total by the grantee. The exercise period of the share options granted under the 2013 Share Option Scheme is determined by the directors of the Company and commences after a certain vesting period and ends on a date which is not later than ten years from the date of grant of the share options. Generally, there is no specified minimum period prescribed under the 2013 Share Option Scheme for which share options must be held before they can be exercised in accordance with the terms of the 2013 Share Option Scheme. Please refer to the table below for details on the specific vesting period with respect to the share options granted under the 2013 Share Option Scheme.

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

The exercise price of the share options granted under the 2013 Share Option Scheme is determined by the directors of the Company, but shall be at least the higher of: (i) the nominal value of the Company's shares; (ii) the closing price of the Company's shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of offer of the share options; and (iii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of offer of the share options.

Share options granted under the 2013 Share Option Scheme do not confer rights on the holders to dividends or to vote at shareholders' meetings of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

Movements in the number of the Company's share options under the 2013 Share Option Scheme during the six months ended 30 June 2025 are as follows:

| Name or category of participant | Number of share options | | | | | | Outstanding as at 30 June 2025 | Date of grant of share options* | Exercise period of share options | Exercise price of share options HK\$ per share | Weighted average closing price of the shares immediately before the dates on which the share options were exercised HK\$ per share |
|--|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|---|--|---|---|--|
| | Outstanding as at 1 January 2025 | Granted during the period | Exercised during the period | Expired during the period | Forfeited during the period | Cancelled during the period | | | | | |
| Executive directors | | | | | | | | | | | |
| Mr. Fok Tung Ling | - | - | - | - | - | - | - | - | - | - | - |
| Mr. Zhang Yue Jun | - | - | - | - | - | - | - | - | - | - | - |
| Ms. Huo Xinru | 2,000,000 | - | - | - | - | - | 2,000,000 | 13 Apr 21 | 13 Apr 22– 12 Apr 26 | 2.030 | - |
| Mr. Chang Fei Fu | 2,000,000 | - | - | - | - | - | 2,000,000 | 13 Apr 21 | 13 Apr 22– 12 Apr 26 | 2.030 | - |
| Non-executive director | | | | | | | | | | | |
| Mr. Yi Lei (appointed with effect from 1 April 2025) | - | - | - | - | - | - | - | - | - | - | - |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

Movements in the number of the Company's share options under the 2013 Share Option Scheme during the six months ended 30 June 2025 are as follows: (Cont'd)

| Name or category of participant | Number of share options | | | | | | Outstanding as at 30 June 2025 | Date of grant of share options* | Exercise period of share options | Exercise price of share options HK\$ per share | Weighted average closing price of the shares immediately before the dates on which the share options were exercised HK\$ per share |
|-------------------------------------|----------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|--------------------------------|---------------------------------|----------------------------------|--|--|
| | Outstanding as at 1 January 2025 | Granted during the period | Exercised during the period | Expired during the period | Forfeited during the period | Cancelled during the period | | | | | |
| Independent non-executive directors | | | | | | | | | | | |
| Ms. Ng Yi Kum | - | - | - | - | - | - | - | - | - | - | - |
| Ms. Wong Lok Lam | - | - | - | - | - | - | - | - | - | - | - |
| Mr. Chong Chee Keong, Chris | - | - | - | - | - | - | - | - | - | - | - |
| Other employees in aggregate | 43,810,000 | - | - | - | (8,780,000) | - | 35,030,000 | 13 Apr 21 | 13 Apr 22–12 Apr 26 | 2.030 | - |
| | 47,810,000 | - | - | - | (8,780,000) | - | 39,030,000 | | | | |

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

The expense recognized in the condensed consolidated statement of profit or loss for employee services received during the six months ended 30 June 2025 under the 2013 Share Option Scheme is nil (six months ended 30 June 2024: HK\$1,780,000).

At the end of the reporting period, the Company had 39,030,000 share options outstanding under the 2013 Share Option Scheme and all of them were vested. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 39,030,000 additional ordinary shares of the Company and additional share capital of HK\$3,903,000 and share premium of HK\$75,328,000 (before issue expenses). No options under the 2013 Share Option Scheme have been granted during the Current Period.

As at the date of approval of the condensed consolidated interim financial statements, the Company had 38,970,000 share options outstanding under the 2013 Share Option Scheme, representing approximately 1.26% of the Company's shares in issue as at that date.

A share option scheme (the "2023 Share Option Scheme") was adopted by the shareholders of the Company on 22 May 2023. Subject to early termination as may be determined by shareholders of the Company in general meeting, the 2023 Share Option Scheme shall be valid and effective for a period of ten years commencing from its date of adoption and is due to expire on 22 May 2033.

The purpose of the 2023 Share Option Scheme is to enable the board of directors of the Company (the "Board") to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the success of the Group's operations. Eligible participants of the 2023 Share Option Scheme include any director or employee (whether full-time or part-time, but explicitly excludes any former employee) of the Group, who is eligible to be granted option(s) under the 2023 Share Option Scheme (and including persons who are granted option(s) under the 2023 Share Option Scheme as an inducement to enter into employment contracts with these companies).

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

The maximum number of shares issued and to be issued in respect of all options and awards granted to each eligible participant under the 2023 Share Option Scheme and each Selected Participant (as defined below) under the 2023 Share Award Scheme respectively (excluding any options and awards lapsed in accordance with the terms of the share schemes of the Company) in any 12-month period (up to and including the date of such grant) is limited to in aggregate 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted under the 2023 Share Option Scheme to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the grantee of the option). In addition, the maximum number of shares issued and to be issued in respect of all options and awards granted to each substantial shareholder or each independent non-executive director of the Company under the 2023 Share Option Scheme and the 2023 Share Award Scheme respectively (excluding any options and awards lapsed in accordance with the terms of the share schemes of the Company) in any 12-month period (up to and including the date of such grant) is limited to in aggregate 0.1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

An offer for the grant of options under the 2023 Share Option Scheme may be accepted at a total consideration of HK\$10 or such other amount as the Board may determine within 21 days inclusive of, and from, the day on which such offer was made (subject to any determination otherwise by the Board). In respect of any option granted under the 2023 Share Option Scheme, the period during which such option can be exercised subject to the terms of the 2023 Share Option Scheme, being the period commencing on such date on or after the date of grant of the option as the Board may determine when granting the option and expiring at the close of business on such date as the Board may determine when granting the option but in any event not exceeding ten years from the date of grant of the option. The vesting period of options granted under the 2023 Share Option Scheme shall be determined by the Board subject to a minimum period of not less than 12 months. Please refer to the table below for details on the specific vesting period with respect to the share options granted under the 2023 Share Option Scheme.

The exercise price of the share options granted under the 2023 Share Option Scheme shall be determined by the Board in its discretion at the time of the grant of the relevant option but in any event shall be at least the higher of (i) the closing price of the shares of the Company as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of grant; and (ii) the average of the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant, subject to subsequent adjustments provided that the exercise price shall not be less than the nominal value of each share of the Company.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

Movements in the number of the Company's share options under the 2023 Share Option Scheme during the six months ended 30 June 2025 are as follows:

| Name or category of participant | Number of share options | | | | | | Date of grant of share options* | Exercise period of share options | Exercise price of share options HK\$ per share | Weighted average closing price of the shares immediately before the dates on which the share options were exercised HK\$ per share |
|------------------------------------|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|--|---|---|--|
| | Outstanding as at 1 January 2025 | Granted during the period | Exercised during the period | Expired during the period | Forfeited during the period | Cancelled during the period | | | | |
| Directors | - | - | - | - | - | - | - | - | - | - |
| Other employees in aggregate | 287,500 | - | (37,000) | - | - | - | 15 Sep 23 | 15 Sep 24– 14 Sep 28 | 1.116 | 1.943 |
| | 287,500 | - | (37,000) | - | - | - | | | | |

* The vesting period of the share options is from the date of grant until the commencement of the exercise period.

The expense recognized in the condensed consolidated statement of profit or loss for employee services received during six months ended 30 June 2025 under the 2023 Share Option Scheme is approximately HK\$17,000 (six months ended 30 June 2024: HK\$31,000).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(a) SHARE OPTION SCHEMES (Cont'd)

At the end of the reporting period, the Company had 250,500 share options outstanding under the 2023 Share Option Scheme, of which 25,500 were vested and 225,000 were unvested. The exercise in full of all outstanding share options (regardless of status of vesting) would, under the present capital structure of the Company, result in the issue of 250,500 additional ordinary shares of the Company and additional share capital of approximately HK\$25,000 and share premium of HK\$256,000 (before issue expenses). No shares under the 2023 Share Option Scheme have been granted during the Current Period.

As at the date of approval of the condensed consolidated interim financial statements, the Company had 250,500 share options outstanding under the 2023 Share Option Scheme, representing approximately 0.01% of the Company's shares in issue as at that date.

(b) SHARE AWARD SCHEME

The 2023 Share Award Scheme was adopted by the shareholders of the Company on 22 May 2023. Subject to early termination as may be determined by shareholders of the Company in general meeting, the 2023 Share Award Scheme shall be valid and effective for a period of ten years commencing on its date of adoption and is due to expire on 22 May 2033.

The purpose of the 2023 Share Award Scheme is to enable the Board to grant awards to certain directors and employees (the "Selected Participant(s)") of the Group to recognize the contributions by them to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Selected Participant(s) are those eligible participant(s) selected by the Board in accordance with the terms of the 2023 Share Award Scheme. Eligible participants of the 2023 Share Award Scheme include any director or employee (whether full-time or part-time, but explicitly excludes any former employee) of the Group, who is eligible to be granted award(s) under the 2023 Share Award Scheme (and including persons who are granted award(s) under the 2023 Share Award Scheme as an inducement to enter into employment contracts with these companies).

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(b) SHARE AWARD SCHEME (Cont'd)

The maximum number of shares issued and to be issued in respect of all awards and options granted to each Selected Participant under the 2023 Share Award Scheme and each eligible participant under the 2023 Share Option Scheme respectively (excluding any awards or options lapsed in accordance with the terms of the share schemes of the Company) in any 12-month period (up to and including the date of such grant) is limited to in aggregate 1% of the shares of the Company in issue at any time. Any further grant of awards in excess of this limit is subject to shareholders' approval in a general meeting. No amount is payable by the Selected Participants on application or acceptance of the award granted under the 2023 Share Award Scheme.

Awards granted under the 2023 Share Award Scheme to a director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director of the Company who is the grantee of the award).

The maximum number of shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the relevant share scheme pursuant to which they are granted) to each director of the Company (other than an independent non-executive director of the Company) or chief executive of the Company, or any of their associates, under all share schemes of the Company (excluding, for the avoidance of doubt, any grant of options) in any 12-month period (up to and including the date of such grant) is limited to in aggregate 0.1% of the shares of the Company in issue at any time. Any further grant of awards (that involve issuance of new shares by the Company) in excess of this limit is subject to shareholders' approval in a general meeting.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(b) SHARE AWARD SCHEME (Cont'd)

The maximum number of shares issued and to be issued in respect of all awards and options granted (excluding any awards and options lapsed in accordance with the terms of the relevant share scheme pursuant to which they are granted) to each substantial shareholder of the Company or independent non-executive director of the Company (or any of their respective associates) under all share schemes of the Company in any 12-month period (up to and including the date of such grant) is limited to in aggregate 0.1% of the shares of the Company in issue at any time. Any further grant of awards (that involve issuance of new shares by the Company) in excess of this limit is subject to shareholders' approval in a general meeting.

The vesting period of awards granted under the 2023 Share Award Scheme shall be determined by the Board subject to a minimum period of not less than 12 months. Please refer to the table below for details on the specific vesting period with respect to the awards granted under the 2023 Share Award Scheme.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(b) SHARE AWARD SCHEME (Cont'd)

Movements in the number of the Company's awards under the 2023 Share Award Scheme during the six months ended 30 June 2025 are as follows:

| Name or category of participant | Unvested as at 1 January 2025 | Number of awards | | | | Unvested as at 30 June 2025 | Date of grant of awards | Vesting period of awards | Purchase price of awards HK\$ per share | Weighted average closing price of the shares immediately before the dates on which the awards were vested HK\$ per share |
|---|-------------------------------|---------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------|--------------------------|---|--|
| | | Granted during the period | Vested during the period | Forfeited during the period | Cancelled during the period | | | | | |
| Executive directors | | | | | | | | | | |
| Mr. Fok Tung Ling | - | - | - | - | - | - | - | - | - | - |
| Mr. Zhang Yue Jun | - | - | - | - | - | - | - | - | - | - |
| Ms. Huo Xinru | - | 486,000 | - | - | - | 486,000 | 21 May 25 | 21 May 25–20 May 26 | 1.3715 | - |
| Mr. Chang Fei Fu | - | 336,000 | - | - | - | 336,000 | 21 May 25 | 21 May 25–20 May 26 | 1.3715 | - |
| Non-executive director | | | | | | | | | | |
| Mr. Yi Lei (appointed with effect from 1 April 2025) | - | - | - | - | - | - | - | - | - | - |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(b) SHARE AWARD SCHEME (Cont'd)

Movements in the number of the Company's awards under the 2023 Share Award Scheme during the six months ended 30 June 2025 are as follows: (Cont'd)

| Name or category of participant | Number of awards | | | | | Unvested as at 30 June 2025 | Date of grant of awards | Vesting period of awards | Purchase price of awards HK\$ per share | Weighted average closing price of the shares immediately before the dates on which the awards were vested HK\$ per share |
|---|--|---------------------------------|--------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|-------------------------------|--------------------------------|---|--|
| | Unvested as at 1 January 2025 | Granted during the period | Vested during the period | Forfeited during the period | Cancelled during the period | | | | | |
| Independent non- executive directors | | | | | | | | | | |
| Ms. Ng Yi Kum | - | - | - | - | - | - | - | - | - | - |
| Ms. Wong Lok Lam | - | - | - | - | - | - | - | - | - | - |
| Mr. Chong Chee Keong, Chris | - | - | - | - | - | - | - | - | - | - |
| Other employees in aggregate | - | 1,999,000 | - | - | - | 1,999,000 | 21 May 25 | 21 May 25– 20 May 26 | 1.3715 | - |
| | - | 2,821,000 | - | - | - | 2,821,000 | | | | |

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(b) SHARE AWARD SCHEME (Cont'd)

A total of 2,821,000 awards were granted, of which 822,000 awards to directors of the Company and 1,999,000 awards to employees of the Group on 21 May 2025 with a purchase price of HK\$1.3715 under the 2023 Share Award Scheme. The closing price of the Company's shares immediately before the date on which the awards were granted was HK\$1.48. There is no performance target attached to the awards granted.

The fair value of the awards was based on the market value of the Company's shares at the grant date i.e. HK\$1.57 per share.

Taking into account share options granted under the 2013 Share Option Scheme (as refreshed in 2018) and awarded shares granted under the 2011 Share Award Scheme involving issuance of new shares or granting of existing shares, and the common scheme mandate limit shared by both the 2013 Share Option Scheme and the 2011 Share Award Scheme (i.e. not exceeding 10% of the number of issued shares of the Company as at 28 May 2018), the total number of new shares which may fall to be issued by the Company in connection with share options that may be granted under the 2013 Share Option Scheme and/or awarded shares involving issuance of new shares or granting of existing shares that may be granted under the 2011 Share Award Scheme as at 1 January 2025 and 30 June 2025 both were nil.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

16. SHARE OPTION SCHEMES AND SHARE AWARD SCHEME (Cont'd)

(b) SHARE AWARD SCHEME (Cont'd)

Taking into account the common scheme mandate limit shared by both the 2023 Share Option Scheme and the 2023 Share Award Scheme (i.e. not exceeding 10% of the number of issued shares of the Company as at 22 May 2023), the total number of new shares which may fall to be issued by the Company in connection with share options that may be granted under the 2023 Share Option Scheme and/or awarded shares involving issuance of new shares or granting of existing shares that may be granted under the 2023 Share Award Scheme as at 1 January 2025 and 30 June 2025 both were 280,234,466 and 277,413,466 respectively.

As at the date of approval of the condensed consolidated interim financial statements:

- (i) the total number of shares available for issue under the 2013 Share Option Scheme and 2011 Share Award Scheme was 38,970,000 shares, representing approximately 1.26% of the Company's issued share capital (excluding treasury shares).
- (ii) the total number of shares available for issue under the 2023 Share Option Scheme and 2023 Share Award Scheme was 277,663,966 shares, representing approximately 8.95% of the Company's issued share capital (excluding treasury shares).

The number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of shares in issue (excluding treasury shares) for the six months ended 30 June 2025 is nil.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

17. RESERVES

The amounts of the Group's reserves and the movements therein for the period are presented in the consolidated statement of changes in equity.

18. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|---|--|--|
| Guarantees given to banks in respect of performance bonds | 311,687 | 294,320 |

19. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

| | 30 June 2025 HK\$'000 (Unaudited) | 31 December 2024 HK\$'000 (Audited) |
|--|--|--|
| Contracted, but not provided for: Plant and machinery | 8,542 | 2,792 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, the current portion of restricted bank deposits, trade receivables, notes receivable, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables, the current portion of interest-bearing bank borrowings and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of restricted bank deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

As at 30 June 2025 and 31 December 2024, the carrying amount of the Group's financial assets and financial liabilities approximate to their fair values.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

| | Valuation technique | Significant unobservable inputs | Range | Sensitivity of fair value to the input |
|-----------------------------|---------------------|------------------------------------|--|--|
| Unlisted equity investments | Valuation multiples | Average P/S multiple of peers | 2.48 to 37.40 (2024: 2.51 to 16.16) | 10% (2024: 10%) increase/decrease in multiple would result in increase/decrease in fair value by HK\$11,982,000 (2024: HK\$17,137,000) |
| | | Discount for lack of marketability | 30% (2024: 30%) | 10% (2024: 10%) increase/decrease in discount would result in decrease/increase in fair value by HK\$5,135,000 (2024: HK\$7,267,000) |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025

| | Fair value measurement using | | | Total HK\$'000 (Unaudited) |
|--|--|---|---|----------------------------------|
| | Quoted prices in active markets (Level 1) HK\$'000 (Unaudited) | Significant observable inputs (Level 2) HK\$'000 (Unaudited) | Significant unobservable inputs (Level 3) HK\$'000 (Unaudited) | |
| Equity investments designated at fair value through other comprehensive income | - | - | 105,736 | 105,736 |
| Equity investments designated at fair value through profit or loss | - | 57,008 | 18,240 | 75,248 |
| | - | 57,008 | 123,976 | 180,984 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY (Cont'd)

Assets measured at fair value: (Cont'd)

As at 31 December 2024

| | Fair value measurement using | | | Total HK\$'000 (Audited) |
|--|--|---|---|--------------------------------|
| | Quoted prices in active markets (level 1) HK\$'000 (Audited) | Significant observable inputs (level 2) HK\$'000 (Audited) | Significant unobservable inputs (level 3) HK\$'000 (Audited) | |
| Equity investments designated at fair value through other comprehensive income | – | – | 101,725 | 101,725 |
| Equity investments designated at fair value through profit or loss | – | – | 75,228 | 75,228 |
| | – | – | 176,953 | 176,953 |

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY (Cont'd)

Assets measured at fair value: (Cont'd)

The movements in fair value measurements within Level 3 during the period are as follows:

| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
|---|--|---------------------------------|
| At 1 January | 176,953 | 25,523 |
| Total gains/(losses) recognised in other comprehensive income | 975 | (47,194) |
| Total losses recognised in the statement of profit or loss included in other expenses | (822) | (21,371) |
| Transfer (to)/from Level 2 | (56,699) | 163,118 |
| Exchange realignment | 3,569 | (3,723) |
| At 30 June | 123,976 | 116,353 |

**NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (CONT'D)**

30 June 2025

**20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL
INSTRUMENTS (Cont'd)**

FAIR VALUE HIERARCHY (Cont'd)

Liabilities measured at fair value:

As at 31 December 2024

| | Fair value measurement using | | | |
|--|--|---|---|--------------------------------|
| | Quoted prices in active markets (level 1) HK\$'000 (Audited) | Significant observable inputs (level 2) HK\$'000 (Audited) | Significant unobservable inputs (level 3) HK\$'000 (Audited) | Total HK\$'000 (Audited) |
| Redeemable preferred shares in a subsidiary | - | 173,479 | - | 173,479 |

During the period, there were no transfers of fair value measurements between Level 1 and Level 2. There was an amount of HK\$56,699,000 transferred from Level 3 to Level 2 for financial assets (six months ended 30 June 2024: HK\$163,118,000 transferred from Level 2 to Level 3).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

21. RELATED PARTY TRANSACTIONS

- (a) The Group had the following transactions with related parties during the period:

| | Notes | For the six months ended 30 June | |
|--|-------|-------------------------------------|---------------------------------|
| | | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Purchases of software from a company of which a close family member of a director of the Company is a controlling shareholder | (i) | 232 | — |
| Purchases of technical service from a company of which a close family member of a director of the Company is a controlling shareholder | (ii) | 167 | 123 |
| | | 399 | 123 |

Notes:

- (i) The purchases were made from Zhejiang Tianchui Technology Co., Ltd, a company of which a close family member of a director is a controlling shareholder. The directors consider that the purchases of software were made according to the published prices and conditions similar to those offered to the major customers of the supplier, except that interest was not charged on overdue balances. The balance of prepayments to the supplier as at 30 June 2025 was HK\$1,019,000(31 December 2024: HK\$137,000).
- (ii) The purchases were made from Zhejiang Tianchui Technology Co., Ltd, a company of which a close family member of a director is a controlling shareholder. The directors consider that the purchases of technical service were made according to the published prices and conditions similar to those offered to the major customers of the supplier, except that interest was not charged on overdue balances. The balance owing to the supplier as at 30 June 2025 was nil(31 December 2024: nil).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

30 June 2025

21. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) Compensation of key management personnel of the Group (all being the Directors):

| | For the six months ended 30 June | |
|--|-------------------------------------|---------------------------------|
| | 2025 HK\$'000 (Unaudited) | 2024 HK\$'000 (Unaudited) |
| Short-term employee benefits | 4,754 | 15,757 |
| Pension scheme contributions | 18 | 58 |
| Equity-settled share option expense | – | 356 |
| Awarded share expenses | 215 | 1,623 |
| | 4,987 | 17,794 |

22. EVENT AFTER THE REPORTING PERIOD

No significant events occurred after the end of the reporting period and up to the date of approval of the financial statements.

23. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 19 August 2025.

By order of the Board
COMBA TELECOM SYSTEMS HOLDINGS LIMITED

Fok Tung Ling
Chairman

Hong Kong, 19 August 2025



京信通信系統控股有限公司
Comba Telecom Systems Holdings Limited

香港新界白石角香港科學園 8W大樓611室

Unit 611, Building 8W, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong

電話 Tel : +852 2636 6861

傳真 Fax : +852 2637 0966

網址 Website : www.comba-telecom.com