



# HOME CONTROL INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)  
Stock Code : 1747



2025  
ANNUAL REPORT

# Contents

- 2 Corporate Information
- 4 Definitions
- 7 Management Discussion and Analysis
- 18 Directors and Senior Management
- 23 Report of the Directors
- 48 Corporate Governance Report
- 74 Five Years Financial Summary
- 75 Independent Auditor's Report
- 81 Consolidated Statement of Comprehensive Income
- 82 Consolidated Statement of Financial Position
- 84 Consolidated Statement of Changes in Equity
- 85 Consolidated Statement of Cash Flows
- 87 Notes to the Consolidated Financial Statements



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Kwok Hoong SIU (*Chief Executive Officer*)

Mr. Haofang YANG

### Non-executive Directors

Ms. Ying MA

Mr. Alain PERROT

*(resigned with effect from 29 December 2025)*

### Independent Non-executive Directors

Mr. Min YE

Mr. Yi Chung CHEN

Mr. Bernard Eng Chuan LIM

*(appointed with effect from 31 December 2025)*

Mr. Werner Peter VAN ECK

*(resigned with effect from 29 December 2025)*

Dr. Shou Kang CHEN

*(resigned with effect from 31 December 2025)*

Ms. Keet Yee LAI

*(resigned with effect from 31 December 2025)*

## AUDIT COMMITTEE

Mr. Bernard Eng Chuan LIM (*Chairman*)

*(appointed with effect from 31 December 2025)*

Mr. Min YE

Mr. Yi Chung CHEN

Dr. Shou Kang CHEN

*(resigned with effect from 31 December 2025)*

## REMUNERATION COMMITTEE

Mr. Yi Chung CHEN (*Chairman*)

Mr. Min YE

Ms. Ying MA

## NOMINATION COMMITTEE

Mr. Min YE (*Chairman*)

Ms. Ying MA

Mr. Yi Chung CHEN

*(appointed with effect from 31 December 2025)*

Ms. Keet Yee LAI

*(resigned with effect from 31 December 2025)*

## COMPANY SECRETARY

Ms. Sum Yi TSUI *ACG, HKACG*

## AUTHORISED REPRESENTATIVES

Mr. Haofang YANG

Ms. Sum Yi TSUI

## REGISTERED OFFICE

Sertus Chambers, Governors Square

Suite #5-204, 23 Lime Tree Bay Avenue

P.O. Box 2547

Grand cayman, KY1-1104

Cayman Islands

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

1 Paya Lebar Link

PLQ1 #04-01 (Office 448)

Singapore 408533

# Corporate Information

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Room 1901, 19/F, Lee Garden one  
33 Hysan Avenue, Causeway Bay, Hong Kong

## CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Sertus Incorporations (Cayman) Limited  
Sertus Chambers, Governors Square  
Suite #5-204, 23 Lime Tree Bay Avenue  
P.O. Box 2547  
Grand cayman, KY1-1104  
Cayman Islands

## HONG KONG SHARE REGISTRAR

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

## PRINCIPAL BANK

Citibank NA Singapore Branch  
8 Marina View  
#17-01 Asia Square Tower 1  
Singapore 018960

## LEGAL ADVISERS TO THE COMPANY

### As to Hong Kong law

#### **Haiwen & Partners LLP**

Suites 601-602 & 610-616, 6/F  
One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

## AUDITOR

#### **PricewaterhouseCoopers LLP**

*Public Accountants and Chartered Accountants  
Recognised Public Interest Entity Auditor*  
7 Straits View, Marina one, East Tower  
Level 12, Singapore 018936

## STOCK CODE

1747

## COMPANY'S WEBSITE

[www.omniddevices.com](http://www.omniddevices.com)

# Definitions

In this annual report, unless the context otherwise requires, the following terms shall have the meanings set forth below.

“AGM”	the annual general meeting of the Company to be held on Friday, 12 June 2026, or, where the context so admits, any adjournment of such annual general meeting
“Audit Committee”	the audit committee of the Company
“Award Shares”	in respect of a Selected Grantee, such number of Shares determined by and granted by the Board pursuant to the Share Award Scheme
“Board”	the board of Directors
“CEO”	the chief executive officer of the Company
“Chairman”	the chairman of the Board
“China” or “PRC”	the People’s Republic of China and for the purpose of this report, excludes, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“CODM”	the chief operating decision-maker
“Company”	Home Control International Limited, a company incorporated in the Cayman Islands on 24 December 2014 as an exempted company with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1747)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Koninklijke Philips N.V.”	Koninklijke Philips N.V., one of the largest electronics companies in the world, incorporated under the laws of the Netherlands and headquartered in Amsterdam

## Definitions

"Listing"	the listing of the Shares of the Company on the Main Board of the Stock Exchange
"Listing Date"	14 November 2019
"Listing Rules"	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company
"Placee(s)"	any professional, institutional or other investors procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Placing Shares under the general mandate by the Placing Agent at the Placing Price under the terms and conditions of the Placing Agreement, as disclosed in the announcements of the Company dated 18 November 2025 and 25 November 2025
"Placing Agent"	Macquarie Capital Limited, a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Placing Agreement"	the placing agreement dated 18 November 2025 entered into between the Company and the Placing Agent in respect of the Placing
"Placing Price"	HK\$3.80 per Placing Share (exclusive of any brokerage, Stock Exchange trading fees, SFC transaction levy and AFRC transaction levy)
"Placing Shares"	up to 28,424,000 new Shares allotted and issued pursuant to the terms and conditions of the Placing Agreement, and each a "Placing Share"
"Remuneration Committee"	the remuneration committee of the Company
"RMB"	Renminbi, the lawful currency of the PRC

## Definitions

“Scheme”	the stock option plan of the Company as approved by the Board on 1 May 2015
“Selected Grantee(s)”	the eligible participant(s) being selected for participation in the Share Award Scheme and conditionally awarded the Award Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“SGD”	Singapore dollar(s), the lawful currency of the Republic of Singapore
“Share(s)”	ordinary share(s) with nominal value of US\$0.01 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 20 August 2020, as amended from time to time
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“U.S.” or “United States”	the United States of America
“U.S. dollar” or “US\$” or “USD”	United States dollars, the lawful currency of the United States

# Management Discussion and Analysis

## OVERVIEW

The Group is a globally leading provider of home control solutions, headquartered in Singapore with a presence in North America, Europe, Asia, and Latin America. Initially established as the home control division of Koninklijke Philips N.V. in the late eighties, the Group was fully acquired by Morgan Stanley Private Equity Asia in May 2015 and listed on the Stock Exchange in November 2019.

Renowned for developing and offering bespoke, high-quality remote controls for home entertainment, the Group caters to an extensive array of pay television operators and consumer electronics brands. Our products have been shipped to over 40 countries to notable companies such as AT&T Services Inc. in North America, Sky CP Limited, British Telecommunications PLC, Vodafone Group Services Limited, and Liberty Global Services B.V. in Europe, along with Reliance Retail Limited, Bharti Airtel Limited, and Hisense Electric Co., Ltd. in Asia.

Innovation is at the core of the Group's operations, as evidenced by our portfolio of over 200 invention patents and one of the world's most comprehensive Infrared (IR) code databases. Our intelligent multi-device control solution, Simple Setup, has been successfully deployed to numerous customers within the pay television and consumer electronics sectors. Furthermore, our sustainability-focused portfolio, featuring solar and ultra-low power platforms, has garnered significant industry recognition and commercial interest.

At the end of 2024, the Group updated its brand from "Omni Remotes" to include "Omni Devices" to better reflect our expanding ambitions beyond Control Solutions, driven by notable progress particularly in the healthcare domain. By leveraging our decades-long professional experience and strength, and through long-standing efforts of technological innovation and market exploration, our Healthcare Solutions segment grew to approximately 21.4% of total revenue in 2025, up from approximately 14.4% in 2024. We are committed to investing in technologies related to sustainability, advanced sensing and wireless connectivity to develop targeted solutions for vertical segments, particularly in healthcare domain.

**Mr Kwok Hoong SIU**  
CEO



## Management Discussion and Analysis

On 24 June 2025, the Group reached a new milestone with the acquisition of the majority shareholding of the Company by Meta-Wisdom Tech Limited, a holding company focused on healthcare. This new partnership builds on our legacy of sustainability and momentum in providing Healthcare Solutions. We aim to establish a health monitoring ecosystem tailored to foreseeable home care scenarios. This will be put together through our prior innovations conceived for home living, the new shareholder's healthcare expertise, and collaborations with relevant institutions and domain experts in the coming period. The Group will strategically expand in the healthcare domain, allocating resources and form broader partnership to explore wider range of products, services and integrated solutions tailored to the needs.

On 22 September 2025, the Group incorporated a wholly-owned limited liability company in Hong Kong, namely Orbiva Limited ("Orbiva") to further expand a wider range of healthcare businesses landscape. Orbiva is dedicated to developing AIoT-enabled home healthcare platforms, ecosystems and healthcare management products and the provision of healthcare operation services. This strategic initiative was capitalized by the Placing of new shares completed on 25 November 2025, with approximately 70% of the net proceeds earmarked for research and development in AIoT technologies and personal healthcare management products.

Moving forward, the Group remains committed to serving the Pay TV and Consumer Electronics domains with products that offer evolving usability, sensing, and wireless connectivity, all produced at our sustainable high-value manufacturing facilities as they have been for decades. Additionally, we will extend our healthcare propositions to stakeholders in these domains, to collectively enhance consumer well-being while enjoying entertainment at home.

### BUSINESS REVIEW

The Group's revenue for the year ended 31 December 2025 came in at approximately US\$109.4 million, representing an increase of approximately 1.8% from approximately US\$107.5 million for the year ended 31 December 2024.

During the year, the Group undertook a strategic realignment to strengthen profitability and operational efficiency. In light of market dynamics, the Group continued to rationalise its product portfolio in developed markets by scaling up higher-margin product lines, while intensifying its commercial presence and business development efforts in emerging and developing markets with robust growth potential, particularly India. This dual-pronged strategy has been instrumental in fostering a more balanced product mix and a diversified geographic customer base.

In line with market expectations, and with the automation and improved cost management measures adopted by the Group as set out in the Company's interim report 2025, as well as greater efficiency and material savings, the Group has turned in a net profit of approximately US\$7.1 million for year ended 31 December 2025, representing an increase of approximately 183.3% as compared to a net profit of approximately US\$2.5 million for the year ended 31 December 2024. The increase in net profit was to a certain extent attributable to (i) improvement in business performance driven by an increase in the sale of Healthcare Solutions. The gross profit margin of the sale of Healthcare Solutions was higher than that of the sale of control solutions, which contributed to an overall increase in the Group's profit margin; and (ii) the absence of a one-off provision of impairment loss of financial assets at amortised cost recognised in the previous year.

# Management Discussion and Analysis

## PROSPECT AND OUTLOOK

The persistent and heightened worldwide inflation has eased, but the instability of the political and economic situation arising from conflicts in Russia-Ukraine and the Middle East region, as well as the volatility of US policy on global trade will pose uncertainty to the business. These factors may impede customer resumptions of new projects and consumer acquisitions. It is difficult to estimate the full impact given the dynamic nature of these circumstances. Other than having the mitigation plan in place if and when the global political situation evolves to materially impact the freedom of trade within our business, the Group will pay continuous attention to the situation, adhere to government measures and recommendations, continue to mitigate foreseeable risks with all sites and subsidiaries, and endeavor to operate with minimal impact on any function serving the business and the customers.

While the Group will continue to take steps in cost management, fresh resources will be channeled into research & development, sales force expansion to diversify into several adjacent domains of the business including the focus on home healthcare, as well as improvements of its supply chain to support the existing business and the ongoing diversification. Looking ahead, we aim to develop an integrated suite of AIoT-enabled solutions and platforms that foster a healthy home environment, enabling real-time personal health management and a seamless online-offline healthcare experience.

The Group is advancing its healthcare roadmap through a strategic Memorandum of Understanding between Orbiva and Nanyang Technological University (“NTU”) to co-develop secure AIoT-enabled healthcare platforms. Orbiva has also entered into an intellectual property license agreement (the “IP License Agreement”) with NTUitive Pte Ltd, a wholly owned subsidiary and the Innovation and Enterprise (I&E) Company of NTU. This collaboration, along with the IP License Agreement for AI-assisted home-care intelligence agents, represents a concrete implementation of our strategic direction. We remain committed to utilizing the net proceeds from the Placing as planned, with substantial resources directed toward the research & development (R&D) to accelerate the development of digital twin applications and secure health management devices.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group for the year ended 31 December 2025 increased by approximately 1.8% (approximately US\$1.9 million) compared to the year ended 31 December 2024 mainly due to the increase in revenue for Europe and Asia regions, partially offset by a decrease in revenue for North America and Latin America regions.

## Management Discussion and Analysis

The following table sets forth the breakdown of revenue of the Group by the geographical location of customers for the years ended 31 December 2025 and 31 December 2024, respectively.

	2025		2024		Year-on-year Change	
	US\$'000	% of Revenue	US\$'000	% of Revenue	US\$'000	%
North America	26,425	24.2%	42,515	39.6%	(16,090)	(37.8%)
Europe	50,385	46.1%	43,317	40.3%	7,068	16.3%
Asia	26,805	24.5%	13,986	13.0%	12,819	91.7%
Latin America	5,784	5.3%	7,634	7.1%	(1,850)	(24.2%)
<b>Total</b>	<b>109,399</b>	<b>100%</b>	<b>107,452</b>	<b>100%</b>	<b>1,947</b>	<b>1.8%</b>

### Cost of sales

The cost of sales of the Group mainly consisted of components including finished goods from ODM (original design manufacturing), outsourcing and overheads. The cost of sales amounted to approximately US\$76.8 million and approximately US\$76.6 million for the year ended 31 December 2025 and the year ended 31 December 2024, respectively, representing approximately 70.2% and approximately 71.3% of the total revenue for the corresponding years.

The following table sets forth the breakdown of the cost of sales for the year ended 31 December 2025 and the year ended 31 December 2024, respectively.

	2025		2024	
	US\$'000	%	US\$'000	%
Cost of components	66,771	87.0%	64,076	83.7%
Outsourcing	8,253	10.7%	10,351	13.5%
Overheads	1,740	2.3%	2,174	2.8%
	<b>76,764</b>	<b>100.0%</b>	<b>76,601</b>	<b>100.0%</b>

# Management Discussion and Analysis

## Gross profit

Gross profit increased by approximately US\$1.8 million from approximately US\$30.9 million for the year ended 31 December 2024 to approximately US\$32.6 million for the year ended 31 December 2025. Gross profit has increased mainly due to increase in revenue and better product mix with higher margins.

## Other income

Other income was approximately \$0.2 million for the years ended 31 December 2025 and 31 December 2024, respectively.

## Selling and distribution expenses

Selling and distribution expenses increased from approximately US\$7.3 million for the year ended 31 December 2024 to approximately US\$7.8 million for the year ended 31 December 2025. The increase in selling and distribution expenses was mainly due to approximately US\$0.3 million increase in employee benefits, approximately US\$0.1 million increase in professional fees and approximately US\$0.1 million increase in distribution expenses.

## Administrative expenses

Administrative expenses was approximately US\$12.0 million for the years ended 31 December 2025 and 31 December 2024, respectively.

## Provision for impairment loss

Provision for impairment loss decreased by approximately US\$3.1 million for the year ended 31 December 2025. This decrease was mainly because approximately US\$3.2 million provision for impairment of the unlisted investment at amortised cost was incurred for the year ended 2024, which was not incurred in 2025. This was partially offset by lower net expected credit losses for trade receivables of approximately US\$0.1 million.

## Other expenses

Other expenses increased from approximately US\$3.6 million for the year ended 31 December 2024 to approximately US\$4.3 million for the year ended 31 December 2025. The approximately US\$0.7 million increase was mainly due to approximately US\$2.2 million increase in professional fees, partially offset by approximately US\$0.7 million decrease in restructuring expenses and approximately US\$0.7 million increase in recovery of R&D cost and approximately US\$0.1 million decrease in approbation costs.

# Management Discussion and Analysis

## Finance costs – net

Comparing to the year ended 31 December 2024, finance cost incurred during the year ended 31 December 2025 decreased by approximately US\$0.6 million. The decrease was mainly because of the approximately US\$0.8 million decrease in interest on bank loans, partially offset by approximately US\$0.2 million increase due to modification gain on financial assets at amortised costs in 2024, which did not recur in 2025.

## Profit before tax

Profit before tax for the year ended 31 December 2025 was approximately US\$8.5 million, which was US\$4.3 million higher than approximately US\$4.2 million for the year ended 31 December 2024. This was mainly due to the net impact of the changes of the profit and loss items stated above.

## Income tax expense

The Group's income tax expense decreased from approximately US\$1.7 million for the year ended 31 December 2024 to approximately US\$1.4 million for the year ended 31 December 2025. The income tax expense for the year ended 31 December 2025 was lower mainly due to a tax refund for the Singapore subsidiary.

## Profit for the year

As a result of the above, the Group recorded a profit after tax of approximately US\$7.1 million for the year ended 31 December 2025, representing an increase of approximately US\$4.6 million from the year ended 31 December 2024 of approximately US\$2.5 million.

## Earnings per Share

The basic earnings per share for the year ended 31 December 2025 is US1.39 cents (year ended 31 December 2024: US0.49 cents). Diluted earnings per share for financial years 2025 and 2024 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

# Management Discussion and Analysis

## LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2025, the Group had cash and cash equivalents of approximately US\$32.7 million. The Board is of the opinion that the financial position of the Group is healthy, and the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures.

### Cash flow

The following table sets forth a summary of our cash flows of the Group as at 31 December 2025 and 31 December 2024, respectively:

	2025 US\$'000	2024 US\$'000
Net cash generated from operating activities	7,819	14,212
Net cash used in investing activities	(597)	(928)
Net cash generated from/(used in) financing activities	5,607	(10,391)
<b>Net increase in cash and cash equivalents</b>	<b>12,829</b>	2,893
Cash and cash equivalents at beginning of the year	19,443	16,872
Effects of exchange rate changes on cash and cash equivalents	463	(322)
<b>Cash and cash equivalents at end of the year</b>	<b>32,735</b>	19,443

### Net cash flow generated from operating activities

The Group generates cash from operating activities primarily from sales of goods. Cash flows from operating activities reflects profit before taxation for the year adjusted for (i) non-cash item such as depreciation of property, plant and equipment, and amortization of intangible assets and other items, which lead to the operating profit before changes in working capital; and (ii) effects of cash flows arising from changes in working capital, including changes in inventories, trade and other receivables and trade and other payables and other items, which lead to cash generated from operations; and (iii) income tax paid, which result in net cash from operating activities.

# Management Discussion and Analysis

For the year ended 31 December 2025, the Group's net cash generated from operating activities was approximately US\$7.8 million, primarily reflected (i) cash generated before working capital changes of approximately US\$10.5 million; (ii) decrease in inventories of approximately US\$3.1 million; and (iii) increase in other payables and accruals of approximately US\$0.5 million; partially offset by (i) increase in trade receivables of approximately US\$0.6 million; (ii) decrease in trade payables of approximately US\$4.6 million; (iii) increase in prepayments and other receivables of approximately US\$0.2 million; and (iv) approximately US\$1.0 million in net income tax paid.

## Net cash flow used in investing activities

Cash flow used in investing activities mainly relates to purchase of property, plant and equipment. For the year ended 31 December 2025, the Group's net cash used in investing activities of approximately US\$0.6 million was primarily attributable to purchases of property, plant and equipment.

## Net cash flow generated from financing activities

For the year ended 31 December 2025, the Group's net cash flow from financing activities was approximately US\$5.6 million, mainly attributable to approximately US\$13.7 million proceeds from placement of shares, partially offset by approximately US\$6.3 million repayment of interest-bearing bank loans, dividends paid of US\$1.3 million, and approximately US\$0.1 million interest paid.

## NET CURRENT ASSETS

The Group's net current assets increased by approximately US\$20.2 million from approximately US\$14.3 million as at 31 December 2024 to approximately US\$34.5 million as at 31 December 2025. The increase was primarily due to (i) an increase in cash and cash equivalents of approximately US\$13.3 million, (ii) a decrease in trade payables of approximately US\$4.6 million, (iii) a decrease in interest-bearing bank loans of approximately US\$6.2 million; which were partially offset by (i) a decrease in inventories of approximately US\$3.3 million and (ii) an increase in other payables and accruals of approximately US\$0.5 million.

## CAPITAL EXPENDITURE

The Group's capital expenditure consisted of purchase costs relating to property, plant and equipment. For the year ended 31 December 2025, the Group's capital expenditure amounted to approximately US\$0.6 million (2024: US\$0.9 million) for the acquisition of property, plant and equipment. The Group funded such capital expenditure primarily with cash generated from operating activities.

## Capital and investment commitments

As at 31 December 2025, the Group did not have any capital and investment expenditure contracted for as at the end of the year but not recognised in the consolidated financial statements.

# Management Discussion and Analysis

## BANK LOANS AND CONTINGENT LIABILITIES

### Bank loans

The Group's bank loans primarily consisted of short-term trade financing from bank. As at 31 December 2025, the Group had approximately US\$nil (2024: US\$6.2 million) from short-term bank loans.

As at 31 December 2024, there was a floating charge over bank accounts of Home Control Singapore Pte. Ltd. amounting to approximately US\$12.0 million to secure the Group's bank loans.

### Contingent liabilities

As at 31 December 2025, the Group did not have any contingent liabilities and guarantees.

### Gearing ratio

Gearing ratio equals total debt divided by the adjusted total assets at the end of the year. Total debt includes all interest-bearing bank loans and lease liabilities. Adjusted total assets excludes goodwill. The gearing ratios as at 31 December 2025 and 31 December 2024 are approximately 0.6% and approximately 11.2%, respectively.

## CAPITAL STRUCTURE AND TREASURY POLICIES

The business activities of the Group are mainly financed by the share capital, interest-bearing bank loans and cash generated from the operating activities. As at 31 December 2025, the interest-bearing bank loans which were denominated in USD, at floating contractual interest rate, and maturing in 2025 was nil (as at 31 December 2024: US\$6.2 million). For details of the interest rates and maturity profile, please refer to note 24 in the "Notes to the Consolidated Financial Statements". There was allotment and issue of 28,424,000 new shares pursuant to the placing agreement dated 18 November 2025, details of which are disclosed in the announcement of the Company dated 18 November 2025. Details of the movements in the company's share capital are set out in note 29 in the "Notes to the Consolidated Financial Statements". The Board will continue to follow a prudent policy in managing the Group's financial resources such as cash with the objective of maintaining a strong and healthy liquidity position to ensure that the Group is placed to seize future growth opportunities as and when such opportunities appear. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, the management of the Group constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise. For details, please refer to the section headed "Foreign Exchange Risk Management" in this report below.

# Management Discussion and Analysis

## EMPLOYEES, REMUNERATION POLICY

As at 31 December 2025, the Group had 143 employees (31 December 2024: 144 employees). The employees benefit expense incurred during the year ended 31 December 2025 was approximately US\$12.8 million (2024: US\$12.4 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the year ended 31 December 2025. The Company adopted a stock option plan of the Company as approved by the Board on 1 May 2015 as incentive for eligible employees. As at 1 May 2022, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised thereunder during the year ended 31 December 2025. As at 1 May 2022, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. The Share Award Scheme shall terminate on the earlier of (i) the tenth (10th) anniversary date of the 20 August 2020; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Grantees under the Share Award Scheme. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the date of this report, to ten Selected Grantees pursuant to the Share Award Scheme. On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,379 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain PERROT, the then executive Director), and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,787 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. On 5 October 2023, 2,508,171 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,171 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,381 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain PERROT, the then executive Director), and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,790 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. As at 31 December 2025, all 5,016,337 Award Shares granted under the Share Award Scheme have been vested and no new Share Awards have been granted during the year. Accordingly, no Award Shares remain outstanding and unvested as at 31 December 2025. The details of the Share Award Scheme are disclosed in the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

# Management Discussion and Analysis

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 31 December 2025.

## MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed in this report, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

## CHARGE ON GROUP ASSETS

As at 31 December 2025, there was no floating charge over bank accounts of Home Control Singapore Pte. Ltd. (2024: US\$12.0 million) to secure the Group's bank loans. Save as disclosed in this report, as at 31 December 2025, none of the Group's assets were pledged.

## FOREIGN EXCHANGE RISK MANAGEMENT

The functional currency of most entities within the Group is U.S. dollar. The sales of the Group are mainly denominated in U.S. dollar while purchases are mainly denominated in U.S. dollar or RMB. In addition, the Group has its headquarters in Singapore and operating subsidiaries in the U.S., Belgium, the PRC and Brazil, of which overheads are settled in local currencies and therefore the Group is exposed to foreign exchange risks. Fluctuations in foreign exchange rates may be caused by various factors such as change in government policies, change in domestic and international economic and political conditions, and is always unpredictable. The Group had not entered into any agreements to hedge its exchange rate exposure, as the Group's results of operations have generally been partially mitigated by the natural offset of foreign currency receivables with foreign currency payables. Going forward, the Group expects that exchange rates of SGD, RMB and US\$ will continue to fluctuate. Changes in the foreign exchange rates between the Group's functional currencies and reporting currency may have an adverse impact on the Group's finance costs, sales and product margins, and may reduce the value of, and dividends payable on, the Shares. The Group's business and financial position may be materially and adversely affected. The management of the Group will continue to monitor the Group's foreign currency exchange exposure and will take prudent measures to minimise that currency exchange risk.

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this report, the Group had not entered into any off-balance sheet transactions.

# Directors and Senior Management

## DIRECTORS

### Executive Directors

**Mr. Kwok Hoong SIU (蕭國雄)**, aged 58, is the chief executive officer and executive Director. Mr. Siu has been appointed as chief operating officer and the head of marketing and innovation of the Group responsible for leading the research and development and product marketing teams of the Group to generate innovations, intellectual properties and support the sales team in pre-sales marketing and commercial negotiation activities. Mr. Siu joined the Group in September 1999.

Mr. Siu obtained a bachelor's degree in engineering from National University of Singapore in July 1991.

Save as disclosed above, Mr. Siu has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Mr. Siu is interested or deemed to be interested in the Shares and underlying Shares for the purpose of Part XV of the SFO, details of which are set out on in the Report of the Directors of this report.

**Mr. Haofang YANG (楊豪放)**, aged 41, is the executive Director. Mr. Yang joined the Group in July 2025. Mr. Yang is a PRC Category A Talent and a fellow of the European Academy of Natural Sciences. Mr. Yang obtained a Singapore Tech.Pass. Mr. Yang has focused his business ventures on development of medical digitization and smart health service industry. Mr. Yang founded OPH Health Pte. Ltd. in 2023 and has been serving as its chief executive officer since then. OPH Health Pte. Ltd. focuses on building an infrastructure network for the primary healthcare industry through digital technology, aiming to achieve universal health coverage by enhancing primary healthcare systems and services, empowering public and private health service providers globally. OPH Health Pte. Ltd. uses advanced detection and artificial intelligence technologies to build a reliable and rich portrait of residents' health data, allowing every participant including the government, residents, medical institutions and other derivative operation service providers to jointly innovate based on the infrastructure network, allowing primary medical data elements to generate greater value.

Mr. Yang has 15 years of work and management experience in the communications industry and digitalization field. Mr. Yang obtained a master's degree from Peking University in the PRC in July 2011. Mr. Yang obtained a certificate as a scientific and technological innovation and entrepreneurship talent in the innovation talent promotion programme issued by the Ministry of Science and Technology of the PRC in 2019 and served as an initiating expert to the Internet Society of China's "Internet +" Research Advisory Center in 2016.

Save as disclosed above, Mr. Yang has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

## Directors and Senior Management

Mr. Yang is a substantial shareholder of the Company and is interested or deemed to be interested in the Shares and underlying Shares for the purpose of Part XV of the SFO, details of which are set out in the Report of the Directors of this report.

### Non-executive Director

**Ms. Ying MA (馬鷹)**, aged 58, is the non-executive Director and a member of the Nomination Committee and the Remuneration Committee. Ms. Ma is responsible for advising on the overall strategic planning of the Group. Ms. Ma joined the Company in July 2025.

Ms. Ma serves in multiple capacities, including as a research librarian (same level as professor) and an investor. She was also involved in various public welfare activities. Ms. Ma participated in the establishment of Zhejiang Jack Ma Public Welfare Foundation and served as its chairman and legal representative in 2014. She was appointed as a consultant by Park Ying Guoshi (Shanghai) Equity Investment Fund Partnership (Limited Partnership) in 2018. She was appointed as the investment director of OPH Health Pte. Ltd. in 2023.

Save as disclosed above, Ms. Ma has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

### Independent non-executive Directors

**Mr. Bernard Eng Chuan LIM**, aged 57, is an independent non-executive Director and a chairman of the Audit Committee. Mr. Lim is responsible for supervising and providing independent advice to the Board. Mr. Lim joined the Company in December 2025.

Mr. Lim is currently the Finance Director of RB Capital Pte. Ltd., a Singapore-based private investment group managing a diversified real estate portfolio across Asia. Mr. Lim is a Chartered Accountant (Singapore) with over 30 years of professional experience, including extensive senior finance leadership roles across multinational listed companies and private investment groups, with experience spanning corporate finance, controllership, governance and strategic planning.

Mr. Lim has held senior finance leadership roles across multiple organisations. He has been serving as Finance Director of RB Capital Pte. Ltd. since January 2024. Prior to this, he served as Business Controller (Finance) at Pacific Eagle Real Estate from September 2021 to February 2023, and as Chief Financial Officer at Tsao Family Office Pte. Ltd. from July 2019 to August 2021.

Earlier, Mr. Lim served at OUE Limited, a diversified real estate group listed on the Singapore Exchange, from May 2009 to June 2019, including as Chief Financial Officer. During his tenure, he worked closely with the Board and senior management on significant corporate actions, capital markets initiatives and strategic investments. This included OUE Limited's entry into the healthcare real estate sector through the acquisition of International Healthway Corporation Limited (IHC), a healthcare services and facilities provider with operations across Southeast Asia, where Mr. Lim was involved from a finance, governance and capital management perspective.

## Directors and Senior Management

Mr. Lim obtained a Bachelor's Degree in Accountancy from Nanyang Technological University and is an Associate Chartered Valuer and Appraiser.

Saved as disclosed above, Mr. Lim has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

**Mr. Min YE (葉敏)**, aged 62, is an independent non-executive director of the Company, a chairman of the Nomination Committee and a member of the Audit Committee and the Remuneration Committee. Mr. Ye is responsible for supervising and providing independent advice to the Board. Mr. Ye joined the Company in September 2025.

Mr. Ye is currently a senior advisor at Flint Global Ltd. and chairman of the advisory committee at NV Technology Limited, has over 30 years of experience in credit analysis, capital markets, risk management, ESG (Environmental, Social, and Governance), and Web3 finance.

From May 1994 to March 2023, Mr. Ye worked for Moody's Corporation, its subsidiaries and affiliated companies and related companies (collectively, "Moody's"), starting with joining Moody's Investors Service, Inc. ("MIS") in May 1994 as a senior analyst in Moody's New York office and later being promoted to managing director for Moody's Structured Finance Group in Asia (excluding Japan), where he was responsible for structured finance and securitization of financial assets across the region. In the China market, Mr. Ye led Moody's overall strategic direction and execution, with responsibility for overseeing and expanding the businesses of Moody's Analytics, Inc. and MIS. From January 2013 to September 2019, Mr. Ye served as Managing Director – Regional Head of Asia Pacific overseeing MIS's operations in Asia Pacific. From January 2019 to October 2020, Mr. Ye served as Managing Director – Head of International for MIS with geographic management responsibility of MIS's regional strategy and offices outside the United States. From October 2020 to March 2023, Mr. Ye served as Managing Director – Head of International for Moody's Corporation with overall management responsibility of Moody's operations in China. From March 2023 to December 2024, Mr. Ye served as senior advisor to Moody's Corporation.

During his time with Moody's, Mr. Ye was in charge of managing regional partnerships, with responsibilities mainly on managing Moody's relationships with its affiliated companies in China, including China Chengxin International Credit Rating Co., Ltd. ("China Chengxin"), SynTao Green Finance International Limited and Mioying Financial Technology (HK) Limited (MioTech), assisting Moody's clients in assessing various risks from both global and domestic perspectives. Mr. Ye has also served at Moody's affiliated domestic rating agencies across Asia, including China (China Chengxin, as its director and vice chairman from September 2006 to March 2023 and chief executive officer from October 2006 to April 2013), India (ICRA Limited, a publicly listed company listed on the Bombay Stock Exchange (BSE: 532835) and the National Stock Exchange (NSE: ICRA), as its non-executive director from May 2013 to May 2022), and the Republic of Korea (Korea Investors Service Inc., as its director from January 2013 to December 2022).

## Directors and Senior Management

Mr. Ye has taken on the role of senior advisor at Flint Global Ltd. since April 2023, and has, since June 2023, been made chairman of the advisory committee at New Vision Group's fintech arm, NV Technology Limited, participating in the development of financial infrastructure and the advancement of industry initiatives for the Real-World Assets (RWA) ecosystem in Hong Kong.

Mr. Ye received his bachelor's and master's degrees in electrical engineering from Tsinghua University in the PRC in 1986 and 1988, respectively, and earned a Ph.D. in electrical and computer engineering from Carnegie Mellon University in the United States in 1994.

Saved as disclosed above, Mr. Ye has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

**Mr. Yi Chung CHEN (陳一中)**, aged 54, is an independent non-executive Director, a chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Chen is responsible for supervising and providing independent advice to the Board. Mr. Chen joined the Company in September 2025.

Mr. Chen is currently the chief operating officer of OUE Limited. Mr. Chen has over 20 years of experience in corporate management, investment and asset management. Mr. Chen joined OUE Limited in 2008 and served as Vice President, Investments. Mr. Chen joined OUE Hospitality REIT Management Pte. Ltd. in June 2013, serving as Vice President, Investments from June 2013 to December 2017. He was one of the core team members who assisted OUE Hospitality Trust in its successful listing on the Main Board of the Singapore Exchange Securities Trading Limited (delisted in 2019, former stock code SK7). Mr. Chen was promoted to deputy chief executive officer in January 2018 and later in July 2018 to acting chief executive officer, which position he held till September 2019. Mr. Chen has been serving as the chief operating officer of OUE Limited since October 2019, where he is mainly responsible for overseeing and managing the general business and operations of the OUE group.

Mr. Chen obtained a bachelor's degree in business administration from Fu Jen Catholic University in Taiwan in 1995, a master's degree in computer science from the University of Texas at Arlington in the United States in 1999 and a master's degree in business administration from the University of Chicago, Booth School of Business in the United States in 2006.

Mr. Chen is interested or deemed to be interested in the Shares and underlying Shares for the purpose of Part XV of the SFO, details of which are set out on in the Report of the Directors of this report.

Saved as disclosed above, Mr. Chen has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

# Directors and Senior Management

## SENIOR MANAGEMENT

**Mr. Jean Paul L. ABRAMS**, aged 63, is the head of sales of the Group. Mr. Abrams is responsible for sales activities in Europe and leading the sales teams in Europe and Latin America. Mr. Abrams joined the Group in January 1995 and has 31 years of experience with the Group. Prior to joining the Group, Mr. Abrams served various positions in Philips group from May 1987 to December 1994. Mr. Abrams obtained a bachelor's degree in economic sciences from Limburg Business School in Diepenbeek, Belgium in September 1983 and a master's degree in applied economic sciences from catholic University of Leuven in March 1987, respectively.

Save as disclosed above, Mr. Abrams has no other relationship (including financial, business, family or other material/relevant relationship(s)) with any Directors, any other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

**Ms. Guat Beng NG (黃月明)**, aged 60, is the global financial controller of the Group. Ms. Ng is responsible for supervising the compliance of the Group's financial practices, monitoring cash flow, accounts and other financial transactions and overseeing finance teams in day-to-day accounting and finance operations. Ms. Ng joined Philips in January 2003 and the Group in January 2010 and has 16 years of experience with the Group. Ms. Ng also serves as a director of HCS (Suzhou) Limited, 蘇州歐之電子有限公司 (Home Control Solutions (Suzhou) Limited\*) and Home Control Europe NV. Ms. Ng obtained a master's degree of business administration from Schulich School of Business of York University in Toronto, Canada in June 2001.

Save as disclosed above, Ms. Ng has no other relationship (including financial, business, family or other material/relevant relationship(s)) with any Directors, any other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

None of our senior management has been a director of any listed company in the past three years.

\* For identification purpose only

## COMPANY SECRETARY

**Ms. Sum Yi TSUI (徐心兒)** was appointed as the company secretary of the company on 14 July 2020. Ms. Tsui is currently a senior manager in corporate services team of Vistra Corporate Services (HK) Limited. She has over fifteen years of experience in providing company secretarial and compliance services to private and listed companies. Ms. Tsui obtained a bachelor of business administration degree in corporate administration and a master of corporate governance degree from Hong Kong Metropolitan university (formerly known as The Open University of Hong Kong). Ms. Tsui is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered secretaries) and an associate member of The Chartered Governance Institute in United Kingdom.

# Report of the Directors

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “Year”).

## GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 24 December 2014 as an exempted company with limited liability. The Company’s shares were listed on the Main Board of the Stock Exchange (stock code: 1747) on the Listing Date. For details of the relevant use of proceeds, please see the section headed “Use of Proceeds from Listing” of this report.

## PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the Year is investment holding. The principal activities of the Group are sales and technical sales support of remote control products and research and development. Details of the principal activities of each of the subsidiaries of the Company in the course of the Year are set out in note 1 in the “Notes to Consolidated Financial Statements”.

## BUSINESS REVIEW AND FUTURE PROSPECTS

The business review and future prospects of the Group for the Year are set out in the section headed “Management Discussion and Analysis” of this report. The discussion forms part of this directors’ report.

## RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key to its success and sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality products and satisfactory services to its customers and enhancing long-term cooperation with its business partners.

### Employees

The Group understands that its employees are one of the most important and valuable assets. The Group supports diverse workforce and inclusion where all employees are treated fairly and respectfully, have equal access to opportunities and resources, and fair contribution and participation of all employees. The Group provides a fair and safe workplace, promotes diversity to its staff, and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate internal and external training and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their skills, performance and self fulfilment in their positions.

### Customers

The Group understands that it is important to maintain good relationship with customers and provide the quality products and services in a way that satisfies the needs and requirements of the customers, in order to maintain its brand competitiveness. The Group has developed business relationship with most of the major customers for 7 years to over 18 years. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products and review customers’ feedback regularly so that the Group can respond proactively to market demand.

# Report of the Directors

## Suppliers

The Group has established stable and long-term relationship with its major components and manufacturing suppliers. The Group has established business relationship with majority of its major suppliers for up to 16 years. The Group imposes stringent standards on the selection of its suppliers and manufacturing partners as part of its supply chain management.

## PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, business results and operations and prospects may be affected by various risks and uncertainties, some of which are external causes and some are inherent to the business. The following are the key risks and uncertainties identified by the Group. The Board is aware that there may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

### Business risk

These risks can be categorised into (i) risks relating to its business; (ii) risks relating to the industry; (iii) risks relating to conducting business in different countries; and (iv) risks relating to conducting business in the PRC. The Directors believe that the following are some of the major risks that may have a material adverse effect on the Group:

- The world-wide business presence exposes the Group to various legal, economic and political risks of different geographical markets.
- Any termination, interruption or modification of its business relationship with any of the major customers, whether due to underperformance of the major customers or any other reason, may materially and adversely affect the sales and profitability of the Group.
- The Group may fail to anticipate technology innovation and successfully develop and market new products on time, or at all, which would materially and adversely affect its business, financial position and prospects.
- Any material increase in the prices of components or loss of major suppliers may materially and adversely affect the business and financial position of the Group.
- The financial condition and results of operations of the Group would adversely affect the impairment of goodwill.

### Financial risk

The financial risk management of the Group is set out in note 3 in the "Notes to Consolidated Financial Statements".

## SUBSIDIARIES

The information of the Company's principal subsidiaries are set out in note 1 in the "Notes to Consolidated Financial statements".

# Report of the Directors

## USE OF PROCEEDS FROM LISTING

Reference is made to the Company's announcement dated 25 February 2025 in relation to, among other things, the change in use of the IPO Proceeds (as defined below) (the "Change in UOP Announcement").

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date and the net proceeds raised from this initial public offering after deducting underwriting fees and other related listing expenses amounted to approximately HK\$84.93 million (equivalent to approximately US\$10.83 million) (the "IPO Proceeds").

As disclosed in the Change in UOP Announcement, the subscription of a treasury management principal protected product in the amount of HK\$38,000,000 was settled through a deposit account in the name of the Company maintained with financial intermediary acting as the custodian in November 2019. Accordingly, the planned use and actual use of the IPO Proceeds as at 31 December 2025 were as follows:

		Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds)	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds)	Partial redemption for Treasury Management Principal Protected Product Scheme No. 608 and channelled towards working capital and general corporate purpose for year ended 31 December 2022	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2025	Proceeds utilised during the year ended 31 December 2025	Utilised IPO Proceeds up to 31 December 2025	Unutilised as at 31 December 2025	Expected timeline for the unutilised IPO Proceeds
		HK\$' million	US\$' million	US\$' million	US\$' million	US\$' million	US\$' million	US\$' million	
1	Strategic investments or acquisitions in the over-the-top ("OTT") system and/or smart home security products	-	-	-	-	-	-	-	Originally allocated funds not utilised due to COVID-19, the economic environment had been unstable and has hindered business discussions.
2	Repayment of bank borrowing	21.12	2.69	-	-	-	2.69	-	-
3	R&D and develop the products for OTT segment and extend product lines in smart home products	-	-	-	-	-	-	-	Originally allocated funds not utilised due to COVID-19, the economic environment had been unstable and has hindered business discussions.

# Report of the Directors

		Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds)	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds)	Partial redemption for Treasury Management Principal Protected Product Scheme No. 608 and channelled towards working capital and general corporate purpose for year ended 31 December 2022	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2025	Proceeds utilised during the year ended 31 December 2025	Utilised IPO Proceeds up to 31 December 2025	Unutilised as at 31 December 2025	Expected timeline for the unutilised IPO Proceeds
		HK\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	
4	Expansion of professional sales force to support business expansion	13.8	1.76	-	0.80	0.80	1.76	-	-
5	Strengthen the supply chain management and investment by extending beyond the PRC	6.57	0.84	-	-	-	0.84	-	-
6	Working capital and general corporate purposes	5.44	0.70	1.63	2.33	0.68	0.68	1.65	The unutilised IPO Proceeds are expected to be fully utilised by 31 December 2027.
7	Subscription for the Treasury Management Principal Protected Product Scheme No. 608	38.00	4.84	(1.63)	-	-	3.21	-	-
		84.93	10.83	-	3.13	1.48	9.18	1.65	

Note that partial redemption of the Investment Product should be channelled towards this category instead.

*Note:* For illustrative purposes only, an exchange rate of HK\$7.84 to US\$1.00 has been adopted for the calculation of the planned use of IPO proceeds set out above.

Based on the Directors' best estimation and assumption of future market conditions, the unutilised IPO Proceeds are expected to be fully utilised by 31 December 2027.

# Report of the Directors

The Directors expect that the use of IPO Proceeds can bring further improvements to the Group's overall business performance.

The Directors will constantly evaluate the Group's business strategies and specific needs from time to time. Further announcement will be made if there are any additional changes on the use of proceeds as and when appropriate.

The business objectives, future plans and planned use of proceeds as stated above were based on the best estimation and assumption of future market conditions made by the Group while the proceeds might be applied based on the actual development of the Group's business and the industry.

## USE OF PROCEEDS FROM PLACING AND UPDATE ON EXPECTED TIMELINE FOR USE OF PROCEEDS FROM PLACING

### Use of proceeds from Placing

Reference is made to the Company's announcements dated 18 November 2025 and 25 November 2025 (collectively, the "Placing Announcements") in relation to, among other things, the placement of 28,424,000 shares at the Placing Price of HK\$3.80 per Placing Share.

The total gross proceeds from the Placing amounted to be approximately HK\$108.0 million and the net proceeds (after deducting all commission and estimated fees, costs and expenses including without limitation, the Placing Agent's commission, the Stock Exchange trading fee, the SFC transaction levy and the AFRC transaction levy) from the Placing amounted to be approximately HK\$106.3 million (equivalent to approximately US\$13.7 million).

On 26 March 2026, the Board has resolved to extend the expected timeline for the utilisation of the proceeds from Placing, for the reasons set out in the paragraph headed "Reasons for extending the expected timeline for use of Proceeds from Placing" below.

The proposed change is to extend the expected timeline for the full utilisation of the proceeds from Placing in relation to (i) the development of AIoT technologies and products and (ii) the development and integration of core personal healthcare management products through inhouse development, outsourced development and strategic collaborations (the "Development Projects"). The table below sets forth the allocation and utilisation status of the proceeds from Placing during the year ended 31 December 2025, together with the updated expected timeline for full utilisation:

# Report of the Directors

Intended usage	Development plan	Planned use of	Planned use of	Proceeds utilised	Utilised	Unutilised	Expected	Updated
		Placement	Placement	during the	Placement	as at	timeline as	expected
		proceeds	proceeds	year ended	Proceeds up to	31 December	disclosed in	timeline
		(HK\$' million)	US\$' million	31 December	31 December	2025	the Placing	expected
				2025	2025	US\$' million	Announcements	timeline
				US\$' million	US\$' million			
Development of AIoT technologies (leveraging its existing expertise in IoT technology) and products, which are built upon an AI-powered platform supported by the personal health agent, an interactive digital twin application that can be connected with multiple personal healthcare devices and enable data interaction. By collecting, analysing and monitoring personal healthcare data and projecting a digital image of the user based on such data, the personal health agent can track real-time updates to the user's health condition and provide healthcare related analysis and advice via devices or cloud platforms.	Milestone 1	15.95	2.05	0.00	0.00	2.05	By 31 March 2026	By 31 July 2026
	To complete the preliminary planning and setup of a structured pathology-centric medical knowledge base with secure pipelines for collecting, annotating and labeling multimodal health data and the development of an agentic framework that bridges device data, medical knowledge and user intent							
We aim to achieve the above through measures including but not limited to the establishment of joint ventures and contractual relationships with core partners (such as experts, research institutions and technology partners).	Milestone 2	37.21	4.79	0.00	0.00	4.79	By 30 August 2026	By 30 November 2026
	To develop the first full prototype of the Personal Health Agent and integrate user interaction, real-time monitoring and personalized coaching functions							
Development and integration of core personal healthcare management products (including but not limited to digital interactive health gadgets and health devices in home healthcare scenarios such as health monitoring rings and smart medicine boxes etc.) through in-house development, outsourced development and strategic collaborations	Milestone 1	10.63	1.37	0.00	0.00	1.37	By 31 March 2026	By 31 July 2026
	To complete the selection and preliminary validation of key components, establish low-power reference designs and lightweight embedded operating systems and define secure hardware-software interfaces for personal healthcare management products							

# Report of the Directors

Intended usage	Development plan	Planned use of Placement proceeds (HK\$' million)	Planned use of Placement proceeds (US\$' million)	Proceeds utilised during the year ended 31 December 2025 (US\$' million)	Utilised Placement Proceeds up to 31 December 2025 (US\$' million)	Unutilised as at 31 December 2025 (US\$' million)	Expected timeline as disclosed in the Placing Announcements	Updated expected timeline
	Milestone 2	10.63	1.37	0.00	0.00	1.37	By 30 August 2026	By 30 November 2026
	To deliver the first integrated beta hardware prototype of personal healthcare devices in both wearable and home hub forms and complete preliminary safety testing and basic regulatory preparatory work appropriate for consumer healthcare products							
Strategic collaboration with industry and cross industry partners	To engage in strategic collaborations to support the application of healthcare-related technologies, business development and the optimization of procurement, manufacturing and production channels	15.95	2.05	0.00	0.00	2.05	By 30 November 2026	
Engagement of consulting service providers	To engage external consulting service providers to conduct industry research, business analysis, compliance management and to build business resource connections in the healthcare domain	5.32	0.68	0.00	0.00	0.68	By 30 November 2026	
Staff costs for Orbiva's business development (including salary, bonus and other incentives) for an initial team of 5-10 employees		7.44	0.96	0.00	0.00	0.96	By 30 November 2026	
Office rent and other operating expenses and staff accommodation costs		2.13	0.27	0.00	0.00	0.27	By 30 November 2026	

# Report of the Directors

Intended usage	Development plan	Planned use of	Planned use of	Proceeds utilised	Utilised	Unutilised	Expected	Updated
		Placement	Placement	during the	Placement	as at	timeline as	expected
		proceeds	proceeds	year ended	Proceeds up to	31 December	disclosed in	timeline
		(HK\$' million)	US\$' million	31 December	31 December	2025	the Placing	updated
				2025	2025	2025	Announcements	expected
				US\$' million	US\$' million	US\$' million		timeline
Professional fees (including fees for engaging external company secretary, legal counsel and financial service providers) and other administrative expenses		1.06	0.14	0.00	0.00	0.14	By 30 November 2026	
		106.32	13.68	0.00	0.00	13.68		

Note: For illustrative purposes only, an exchange rate of HK\$7.77 to US\$1.00 has been adopted for the calculation of the planned use of Placement proceeds set out above.

## Reasons for extending the expected timeline for use of proceeds from Placing

The delay in the expected timeline for the utilisation of the proceeds from Placing is primarily attributable to (i) the time required for the Company to further align its internal arrangements and governance structure in support of the Development Projects; (ii) the longer-than-expected time required for progressing Development Projects, including but not limited to preliminary coordination, ongoing discussion and implementation arrangements with relevant business partners of the Group, taking into account various commercial and practical considerations; and (iii) the Company's adoption of more prudent approach in allocating its resources with due regard to prevailing market conditions and the overall progress of the Development Projects.

In light of the above, the Board considers it appropriate to extend the timeline, so as to allow the Group additional time to continue advancing the relevant Development Projects and to utilise the proceeds from Placing in a prudent and orderly manner.

The Board is of the view that the extension of the expected timeline will not have any material adverse impact on the existing business and operations of the Group and is in the interest of the Company and its Shareholders as a whole. Save as disclosed in this report, there are no other changes to the expected timeline for use of proceeds from Placing.

# Report of the Directors

## MATERIAL EVENTS DURING THE REPORTING PERIOD

### Change of Controlling Shareholders and the Offer

On 24 June 2025, Meta-Wisdom Tech Limited (the “Purchaser” or the “Offeror”) and NHPEA IV Home Control Netherlands B.V. (the “Seller”) entered into the sale and purchase agreement (the “SPA”), pursuant to which the Purchaser had conditionally agreed to purchase, and the Seller had conditionally agreed to sell 375,000,000 Shares (the “Sale Shares”), representing approximately 74.02% of the total number of issued Shares as at the date the SPA. The total consideration for the Sale Shares is HK\$230,000,000, representing approximately HK\$0.6133 per Sale Share, subject to the potential adjustment to the consideration as set out in the SPA (the “Change of Controlling Shareholders”).

Completion of the SPA (the “Completion”) took place on 24 June 2025. Immediately after Completion, the Offeror owned 375,000,000 Shares, representing approximately 74.02% of the total number of issued Shares. The Offeror is accordingly required to make a mandatory unconditional general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror) pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”) at HK\$0.616 per offer share (the “Offer”). The Offer was closed on 6 August 2025.

Details of the Change of Controlling Shareholders of the Company and the Offer were set out in the joint announcements dated 24 June 2025, 14 July 2025, 5 August 2025 and 6 August 2025, and the composite document dated 15 July 2025 jointly issued by the Offeror and the Company.

### Establishment of Orbiva Limited

The Company has established a wholly-owned limited liability company in Hong Kong, namely Orbiva Limited (the “Establishment”). The procedures for the Establishment were completed on 22 September 2025.

The Board takes a positive view on the future development of Orbiva Limited.

For details, please refer to the announcements of the Company dated 12 September 2025 and 25 September 2025.

### Placing of new Shares under the general mandate

On 18 November 2025 (before trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent, and the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six (6) Placées to subscribe for up to 28,424,000 Placing Shares at the Placing Price of HK\$3.80 per Placing Share. Completion of the Placing took place on 25 November 2025. For details, please refer to the Placing Announcements.

## RESULTS AND APPROPRIATIONS

The Group’s results for the Year and the financial position of the Group and of the Company as at 31 December 2025 are set out in the consolidated financial statements.

# Report of the Directors

## FINAL DIVIDEND

US0.66 cents per Share, equivalent to approximately HK5.19 cents per Share was proposed in respect of the financial year ended 31 December 2025 (2024: US0.25 cents per Share (equivalent to approximately HK1.93 cents per Share)). The Board is not aware of any shareholders who have waived or agreed to waive any dividends. The proposed final dividend, if approved by the Shareholders at the AGM, will be payable on or around Wednesday, 15 July 2026.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 14 in the "Notes to Consolidated Financial Statements".

## BANK LOANS

Particulars of bank loans of the Group as at 31 December 2025 are set out in note 24 in the "Notes to Consolidated Financial Statements".

## SHARE CAPITAL

Details of the share capital movement of and shares issued by the company during the year are set out in note 29 in the "Notes to Consolidated Financial Statements".

## RESERVES

Details of movements in the reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity of this report.

## DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no retained profit available for distribution to shareholders of the Company. However, in accordance with the laws of the Cayman Islands, the share premium of approximately US\$21,383,000 (2024: approximately US\$8,013,000), is available for distribution to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance between the Company or any of its subsidiaries and the controlling shareholder of the company or any of its subsidiaries or any contracts of significance for the provision of services to the company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the Year or at any time during the Year.

# Report of the Directors

## EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed “Share Award Scheme” below, no equity linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

## CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

For the year ended 31 December 2025, no other convertible securities, options, warrants or similar rights were issued or granted by the Company or any of its subsidiaries or were exercised. As at 31 December 2025, save as disclosed under the section headed “Share Award Scheme” below, no convertible securities, options, warrants or similar rights remained outstanding. Save as disclosed in this report, there has been no issue for cash of equity securities (including sale of treasury shares) by the Company during the year ended 31 December 2025.

## DEBENTURE ISSUED

No debenture was issued by the Company during the Year.

## CONVERTIBLE BONDS

No convertible bond was issued by the Company during the Year.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Save as disclosed in this report, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined under the Listing Rules)) during the year ended 31 December 2025. As of 31 December 2025, no treasury shares (as defined under the Listing Rules) were held by the Company.

## ISSUE OF SHARES

As at 31 December 2025, the Company had 535,074,000 issued Shares (31 December 2024: 506,650,000 issued Shares). 28,424,000 additional Shares were issued during the year ended 31 December 2025.

## SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 20 August 2020 (the “Adoption Date”).

Any full-time employee, Director or senior management of the Company or other members of the Group are eligible to participate in the Share Award Scheme.

## Report of the Directors

The purpose of the Share Award Scheme is to (i) align the interests of eligible participants directly to those of the Shareholders through ownership of Shares; (ii) recognize the contributions made by the selected grantees (the “Selected Grantees”) and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (iii) attract high-calibre employees for further development of the Group. Subject to any early termination as may be determined by the Board in accordance with the terms of the Share Award Scheme, the Share Award Scheme shall be effective for ten (10) years commencing from the Adoption Date. As at the date of this report, the remaining life of the Share Award Scheme was approximately four years and four months.

The Board shall not make any further award under the Share Award Scheme which will result in the number of Shares awarded by the Board thereunder representing in excess of 1.5% of the total issued Shares as at the Adoption Date or result in a breach of the public float of the company falling below the minimum level required in the Listing Rules upon issuance of the Awarded Shares. On the basis of a total of 501,633,663 Shares in issue as at the Adoption Date, the maximum number of Shares permitted to be issued under the Share Award Scheme is 7,524,504 Shares, which represents approximately (but not more than) 1.50% of the total issued Shares as at the Adoption Date and represents approximately 1.41% of the total issued Shares as at the date of this report.

On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 award shares (the “Award Shares”), representing approximately 1.00% of the total issued Shares as at the date of the grant, at nil consideration under the Share Award Scheme of which (a) 2,382,760 Award Shares are granted to four connected Selected Grantees (being Mr. Alain Perrot, Chairman of the Board, an executive Director and Chief Executive Officer of the company, and three other connected Selected Grantees who are directors of certain subsidiaries of the company) by way of the proposed allotment and issue of new Shares pursuant to specific mandate; and (b) not more than 2,633,577 Award Shares are granted to six non-connected Selected Grantees by way of the proposed allotted and issued of new Shares pursuant to general mandate.

Pursuant to the Share Award Scheme, no amount is payable on application or acceptance of the Award Shares and no purchase price is payable for the Award Shares awarded, which is determined by the Board in its absolute discretion after taking into account that the purposes of the Share Award Scheme, as detailed above, are to incentivize and retain selected grantees, and attract talents to join the Group. As such, for those Award Shares awarded pursuant to the rules of the Share Award Scheme, the purchase price for Award Shares under the Share Award Scheme is nil.

At the extraordinary general meeting of the Company held on 12 November 2020, ordinary resolutions were passed in relation to the grant of Award Shares to the connected Selected Grantees and the grant of specific mandate to the Directors regarding the issue and allotment of 2,382,760 Award Shares to the connected Selected Grantees.

## Report of the Directors

50% of the total Award Shares shall be vested on the second anniversary of the date of grant; and 50% of the total Award Shares shall be vested on the third anniversary of the date of grant. There is no other performance target required except the eligible participant remains as an employee of the Group during the vesting period.

On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2020 pursuant to the Share Award Scheme.

On 5 October 2023, 2,508,171 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,171 new Shares, representing approximately 0.50% of the total issued Shares as enlarged by such allotment and issue, to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2020 pursuant to the Share Award Scheme. As at 31 December 2023, a total of 5,016,337 Shares have been allotted and issued to the ten Selected Grantees pursuant to the Share Award Scheme.

As at 1 January 2025, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. During the Year, no Share Awards were granted, and accordingly as at 31 December 2025, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. As at the date of this report, the total number of Shares available for issue under the Share Award Scheme is 2,508,167 Shares (representing approximately 0.5% of the total issued Shares as at the date of this report), of which 2,508,167 Shares are available for issue in case of further grant of 2,508,167 Share Awards (representing approximately 0.5% of the total issued Shares as at the date of this report). There is no maximum entitlement for each eligible participant under the rules of the Share Award Scheme and as at the date of this report, no Selected Grantee has been granted Award Shares exceeding 1% of the issued share capital of the Company.

## Report of the Directors

As at 31 December 2025, all 5,016,337 Award Shares granted under the Share Award Scheme have been vested (prior to the year ended 31 December 2025) and no new Share Awards have been granted (and accordingly no Award Shares have been vested) during the year ended 31 December 2025. Accordingly, no Award Shares remain outstanding and unvested as at 31 December 2025. There was also no cancellation, forfeiture, expiration or lapse of Award Shares during the year ended 31 December 2025. Details of the relevant Selected grantees under the Share Award Scheme are as follows:

Name of Grantees	Relationship with the Group	Date of Grant	Number of Award Shares				
			Outstanding as at 1 January 2025	Granted during the Year	Vested during the Year	Cancelled/ lapsed during the Year	Outstanding as at 31 December 2025
Alain PERROT (resigned with effect from 29 December 2025)	Former Chairman of the Board, Former Non-Executive Director	5 October 2020	-	-	-	-	-
Jean Paul L. ABRAMS	Director of a subsidiary of the Company	5 October 2020	-	-	-	-	-
Guat Beng NG (黃月明)	Director of certain subsidiaries of the Company	5 October 2020	-	-	-	-	-
Yuechun ZHU (朱閱春) (resigned with effect from 30 September 2024)	Former Director of certain subsidiaries of the Company	5 October 2020	-	-	-	-	-
Six non-connected selected grantees <sup>(Note)</sup>	Full-time employees of the Group	5 October 2020	-	-	-	-	-
<b>Total</b>			-	-	-	-	-

### Note

- 1) Kwok Hoong SIU was appointed as Chief Executive Officer with effect from 1 April 2024.
- 2) One of the selected grantees has resigned with effect from 31 October 2024.
- 3) Barry Cheng was appointed as director of certain subsidiaries of the Group with effect from 18 September 2024.

For further details of the Share Award Scheme, please refer to the announcements of the company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

# Report of the Directors

## DIRECTORS

The Directors who held office during the Year and up to the date of this report were:

### Executive Directors

Mr. Kwok Hoong SIU (*Chief Executive Officer*)

Mr. Haofang YANG (*appointed with effect from 16 July 2025*)

### Non-Executive Directors

Ms. Ying MA (*appointed with effect from 16 July 2025*)

Mr. Wei ZHOU (*resigned with effect from 6 August 2025*)

Mr. Ewing FANG (*resigned with effect from 6 August 2025*)

Mr. Alain PERROT (*resigned with effect from 29 December 2025*)

### Independent Non-Executive Directors

Mr. Min YE (*appointed with effect from 3 September 2025*)

Mr. Yi Chung CHEN (*appointed with effect from 3 September 2025*)

Mr. Bernard Eng Chuan LIM (*appointed with effect from 31 December 2025*)

Mr. Werner Peter VAN ECK (*resigned with effect from 29 December 2025*)

Mr. Shou Kang CHEN (*resigned with effect from 31 December 2025*)

Ms. Keet Yee LAI (*resigned with effect from 31 December 2025*)

#### Notes:

- (1) Mr. Haofang YANG obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 4 July 2025 and Mr. YANG confirmed that he understood his obligations as a Director.
- (2) Ms. Ying MA obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 4 July 2025 and Ms. MA confirmed that her understood her obligations as a Director.
- (3) Mr. Min YE obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 3 September 2025 and Mr. YE confirmed that he understood his obligations as a Director.
- (4) Mr. Yi Chung CHEN obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 3 September 2025 and Mr. CHEN confirmed that he understood his obligations as a Director.
- (5) Mr. Bernard Eng Chuan LIM obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 30 December 2025 and Mr. LIM confirmed that he understood his obligations as a Director.

## Report of the Directors

In accordance with the articles of association of the Company (the “Articles”), any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for re-election at such meeting. In addition, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office. Accordingly, Mr. Kwok Hoong SIU, Mr. Haofang YANG, Ms. Ying MA, Mr. Min YE, Mr. Yi Chung CHEN and Mr. Bernard Eng Chuan LIM shall retire from office by rotation at the AGM and, being eligible, offer themselves for re-election.

The company believes that the current Board composition is well-balanced and of a diverse mix (including gender diversity) appropriate for the business of the Company.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and Senior Management of the Group are set out in the section headed “Directors and Senior Management” in this report.

### DIRECTORS’ SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

The Executive Director has entered into a service contract with the Company for a term of one year, commencing from the date of the service contract and renewable automatically thereafter for successive terms of one year each until terminated by not less than three months’ notice in writing served by either party on the other.

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the company for a term of one year commencing from the date of the respective letters of appointment and renewable automatically thereafter for successive terms of one year each until terminated in accordance with the terms of the letter of appointment.

None of the Directors, or Directors proposed for re-election at the forthcoming annual general meeting has or is proposed to enter into a service contract with any member of the Group other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation).

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The company currently has three independent non-executive Directors, which meets the minimum requirement of the Listing Rules that the number of independent non-executive directors must represent at least one-third of the Board.

The company has received a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors, and considers them to be independent.

# Report of the Directors

## DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

No transactions, arrangements or contracts of significance, to which the Company, its parent company, its subsidiaries or its fellow subsidiaries, was a party and in which a Director at any time during the Year or an entity connected with a Director at any time during the Year had any material interest, whether directly or indirectly, was entered into or subsisted at the end of the Year or at any time during the Year.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Year, other than service contracts with the Directors and other persons engaged in the full-time employment of the company.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Award Scheme" of this report, at no time during the Year or at the end of the Year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), or to acquire benefits by means of acquisition of shares in, or debentures of, the company or any other body corporate.

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors and directors of the Company's subsidiaries or their respective associates had any interests in any businesses, apart from the Group's business, which compete or are likely to compete either directly or indirectly, with the businesses of the company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

## CHANGE IN THE DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

The change in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- With effect from 29 December 2025, (i) Mr. Alain PERROT ("Mr. Perrot") has tendered his resignation as a non-executive Director and ceased to act as the chairman of the Board; and (ii) Mr. Werner Peter VAN ECK ("Mr. Van Eck") has tendered his resignation as the independent non-executive Director.
- With effect from 31 December 2025, (i) Dr. Shou Kang CHEN ("Dr. Chen") has tendered his resignation as an independent non-executive Director and ceased to act as the chairman of the Audit Committee; and (ii) Ms. Keet Yee LAI ("Ms. Lai") has tendered her resignation as an independent non-executive Director and ceased to act as a member of the Nomination Committee.

## Report of the Directors

- With effect from 31 December 2025, Mr. Bernard Eng Chuan LIM (“Mr. Lim”) has been appointed as an independent non-executive Director.
- Following the appointment of Mr. Lim as an independent non-executive Director and with effect from 31 December 2025:
  - (i) Mr. Lim has been appointed as the chairman of the Audit Committee; and
  - (ii) Mr. Yi Chung CHEN has been appointed as a member of the Nomination Committee.

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, the Directors, auditor and other officers of the Company shall be indemnified out of the assets of the company against all losses and liabilities incurred or sustained by him as a Director, auditor or other officer of the Company. A permitted indemnity provision for the benefit of the Directors and officers of the Company is currently and was/is in force throughout the Year and as at the date of this report. The Company has taken out and maintained Directors’ and officers’ liability insurance throughout the Year, which provides appropriate cover for certain legal actions (if any) brought against its Directors and officers.

# Report of the Directors

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of 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 Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, were as follows:

### (i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares or underlying Shares <sup>(Note 1)</sup>	Approximate percentage of interest in the Company <sup>(Note 1)</sup>
Haofang YANG	Founder of a discretionary trust who can influence how the trustee exercises his discretion	375,202,000 (L) <i>(Note 2)</i>	70.12%
Kwok Hoong SIU	Beneficial owner	501,634 (L)	0.09%
Yi Chung CHEN	Beneficial owner	362,000 (L)	0.07%

#### Notes:

1. As at 31 December 2025, the Company issued 535,074,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.
2. As at 31 December 2025, Meta-Wisdom Tech Limited was beneficially owned as to 99% by O-sycamore Holdings Limited, which was in turn wholly-owned by the Thomethan Settlement. Mr. Yang and Trident Trust Company (HK) Limited are the settlor and the trustee of the Thomethan Settlement, respectively. Mr. Yang (as the settlor of Thomethan Settlement), Trident Trust Company (HK) Limited (as the trustee of Thomethan Settlement) and O-sycamore Holdings Limited (which directly held 99% of the issued share capital of MetaWisdom Tech Limited) were accordingly deemed to be interested in the 375,202,000 Shares held by Meta-Wisdom Tech Limited as at 31 December 2025, under Part XV of the SFO.

## Report of the Directors

### (ii) Interest in associated corporation

Name of Director	Name of associated corporation	Nature of Interest	Number of shares interested <sup>(Note 1)</sup>	Approximate percentage of interest in the associated corporation
------------------	--------------------------------	--------------------	---	--

Kwok Hoong SIU	Omni Remotes do Brasil Ltda	Beneficial owner	100	1%
----------------	-----------------------------	------------------	-----	----

Save as disclosed above, as at 31 December 2025, none of the Directors or Chief Executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of 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 Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 31 December 2025, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the company) had interests or short positions of the issued share capital of the company as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Nature of interest	Number of Shares or underlying Shares <sup>(Note 1)</sup>	Approximate percentage of shareholding <sup>(Note 1)</sup>
Trident Trust Company (HK) Limited	Trustee	375,202,000 (L) <i>(Note 2)</i>	70.12%
O-sycamore Holdings Limited	Interest of controlled corporation	375,202,000 (L) <i>(Note 2)</i>	70.12%
Meta-Wisdom Tech Limited	Beneficial owner	375,202,000 (L) <i>(Note 2)</i>	70.12%

# Report of the Directors

## Notes:

1. As at 31 December 2025, the Company issued 535,074,000 Shares. The letter (L) denotes the entity's long position in the relevant shares.
2. As at 31 December 2025, Meta-Wisdom Tech Limited was beneficially owned as to 99% by O-sycamore Holdings Limited, which was in turn wholly-owned by the Thomethan Settlement. Mr. Yang and Trident Trust Company (HK) Limited are the settlor and the trustee of the Thomethan Settlement, respectively. Mr. Yang (as the settlor of Thomethan Settlement), Trident Trust Company (HK) Limited (as the trustee of Thomethan Settlement) and O-sycamore Holdings Limited (which directly held 99% of the issued share capital of Meta-Wisdom Tech Limited) were accordingly deemed to be interested in the 375,202,000 (Shares held by Meta-Wisdom Tech Limited as at 31 December 2025, under Part XV of the SFO).
3. Pursuant to Section 336 of the SFO, if certain conditions are met, the shareholders of the Company are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other persons (other than the Directors or chief executive of the company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The company had not entered into any non-exempt connected transaction or continuing connected transaction during the year, which is required to be disclosed under the Listing Rules.

## RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the Year are set out in note 32 in the "Notes to Consolidated Financial Statements". Each of the related party transactions during the Year constitutes a connected transaction or continuing connected transaction but is fully exempted and not subject to any of the disclosure requirements under Chapter 14A of the Listing Rules.

## MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers combined accounted for approximately 64.4% of the total sales of the Group and the sales to the largest customer included therein amounted to approximately 18.0% of the total sales of the Group for the Year.

During the Year, purchases from the Group's five largest suppliers combined accounted for approximately 39.8% of the total purchases of the Group for the Year and the purchases from the largest supplier included therein amounted to approximately 12.3% of the total purchase of the Group for the Year.

## Report of the Directors

None of the Directors, or any of their close associate(s) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the company's issued share capital (excluding treasury shares, if any)) had any beneficial interest in the Group's five largest customers or five largest suppliers at any time during the Year.

### EMPLOYEES, REMUNERATION POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

As at 31 December 2025, the Group had 143 employees (31 December 2024: 144 employees). The employees benefit expense incurred during the year ended 31 December 2025 was approximately US\$13.3 million (2024: US\$12.4 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the year ended 31 December 2025. The company adopted the Scheme on 1 May 2015 as incentive for eligible employees. As at the date of this report, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised there under during the year ended 31 December 2025. As at the date of this report, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the adoption date, to ten Selected Grantees pursuant to the Share Award Scheme. Details of the Share Award Scheme can be found in the section headed "Share Award Scheme" in this report.

### REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and five highest paid individuals during the Year are set out in notes 9 and 10 in the "Notes to Consolidated Financial Statements".

During the Year, none of the Directors and the chief executive officer of the company waived or agreed to waive his/her emoluments, and no emoluments were paid by the Group to any of the Directors or the chief executive officer of the Company as inducement to join or upon joining the Group, or as compensation for loss of office.

### RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes operated by the Group are set out in note 2.19 in the "Notes to consolidated Financial Statements".

# Report of the Directors

## MATERIAL LITIGATION AND ARBITRATION

During the Year, the Company was not engaged in any litigation or arbitration of material importance.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

## PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as prescribed under the Listing Rules.

## TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the company's securities. If the Company's shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to the shares, they are advised to consult an expert.

## ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Friday, 12 June 2026.

## CLOSURE OF REGISTER OF MEMBERS

### **For ascertaining Shareholders' right to attend and vote at the AGM**

The register of members of the Company will be closed from Monday, 8 June 2026 to Friday, 12 June 2026 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 5 June 2026.

### **For ascertaining Shareholders' entitlement to the proposed final dividend**

The register of members of the company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 24 June 2026.

# Report of the Directors

## CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Further information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report contained in this report.

## ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is committed to fulfilling social responsibility, supporting environmental sustainability and achieving sustainable growth. The Group is committed to maintaining sustainable working practices and pays close attention to ensure all resources are efficiently utilised. The Directors are not aware of any material non-compliance with the environmental laws and regulations during the Year. Further information on the Group's environmental policy and performance will be set out in the Environmental, Social and Governance Report to be published on the same date as this report.

## COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

## AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers LLP, who will retire at the AGM and, being eligible, offers itself for re-appointment at the AGM. A resolution to re-appoint PricewaterhouseCoopers LLP as the auditor of the Company and to authorise the Directors to fix its remuneration will be proposed at the AGM.

## Change of auditor in the past three years

The consolidated financial statements of the Group for the years ended 31 December 2019 and 2020 were audited by Ernst & Young. Ernst & Young retired as the auditor of the Company with effect from the conclusion of the annual general meeting held on 25 June 2021. The consolidated financial statements of the Group for the years ended 31 December 2021 and 2022 were audited by PricewaterhouseCoopers ("PwC HK"). PwC HK retired as the auditor of the Company with effect from 14 November 2023 as PwC HK was informed by the Board of Directors of the Company that it has decided to propose the appointment of PricewaterhouseCoopers LLP of Singapore ("PwC SG") as the auditor of the Company. The appointment of PwC SG took effect on 14 November 2023.

## DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

For the year ended 31 December 2025, there was no loan agreement of the Company with covenants relating to specific performance of the controlling shareholders of the Company.

# Report of the Directors

## LOAN ARRANGEMENTS GRANTED TO ENTITIES

For the year ended 31 December 2025, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 of the Listing Rules.

## PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

For the year ended 31 December 2025, there was no pledge of Shares by the controlling shareholders of the Company.

## BREACH OF LOAN AGREEMENTS

For the year ended 31 December 2025, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

## FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

For the year ended 31 December 2025, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure.

## GUARANTEE REGARDING THE FINANCIAL PERFORMANCE OF A COMPANY OR BUSINESS ACQUIRED

For the year ended 31 December 2025, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

## IMPORTANT EVENTS AFTER THE YEAR

The company is not aware of any important event that might affect the Group subsequent to the end of the Year.

# Corporate Governance Report

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 December 2025 (the "Reporting Period").

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company (the "Shareholders"). The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders.

### Mission

The mission at Home control is to provide cutting-edge remote control solutions that enable its customers to take control of their homes and simplify their lives. The Group is committed to delivering the highest quality products and services, and to continuously innovating and improving its offerings to meet the evolving needs of its customers.

The Directors believe in making home automation accessible and easy to use for everyone. The remote control products of the Group are designed to be user-friendly, intuitive, and highly functional, allowing its customers to control their devices and systems with ease and convenience.

At the same time, the Group is committed to reducing its environmental impact and promoting sustainability in everything it does. The Group strives to use eco-friendly materials and processes, and to continuously improve its environmental performance.

The ultimate goal of the Group is to become the leading provider of remote control solutions for the home, and to build long-lasting relationships with its customers based on trust, innovation, and exceptional service. The Group is dedicated to empowering its customers to live more comfortable and convenient lives, and to making a positive impact on the world through its sustainable practices and initiatives.

### Purpose

At Home Control, the purpose is to simplify and improve the lives of its customers by providing innovative and user friendly remote control solutions for their homes. The Group aims to be a trusted partner in the home automation industry, empowering its customers to take control of their homes and devices with ease and convenience.

### Values

1. Innovation: The Group is committed to constantly innovating and improving its products to meet the evolving needs of its customers. The Group strives to be at the forefront of home automation technology, always exploring new and creative ways to enhance the functionality and convenience of its remote control solutions.

# Corporate Governance Report

2. Customer Satisfaction: The Group put its customers first and is dedicated to providing exceptional service and support. The Group listens carefully to their needs and concerns and work tirelessly to ensure their satisfaction with its products and services.
3. Sustainability: The Group is committed to reducing its environmental impact and promoting sustainability in everything it does. The Group uses eco-friendly materials and processes and continuously improve its environmental performance.
4. Quality: The Group believes in delivering products of the highest quality that are reliable and durable. The Group has strict quality control processes in place to ensure that its products meet or exceed its customers' expectations.

## Strategies

1. Expand product offerings: The Group plans to continue to innovate and expand its product offerings to meet the evolving needs of its customers in the home automation industry. This will include exploring new technologies and partnerships to enhance its remote control solutions.
2. Enhance customer experience: The Group will continue to prioritize customer satisfaction by providing exceptional service and support. This includes investing in customer support resources and tools to ensure that its customers have a seamless experience with its products.
3. Focus on sustainability: The Group will continue to prioritize sustainability in its business practices by using eco-friendly materials and processes and minimizing its environmental impact.
4. Strengthen quality control: The Group will continue to improve its quality control processes to ensure that its products meet the highest standards of quality and reliability. This includes investing in testing and certification processes to ensure that its products perform as expected and meet regulatory requirements.

## Company Culture

The company culture of the Group is founded on four core values: customer first, innovation, ownership, and speed. These values guide everything the Group does, from how the Group approaches its work to how it interacts with each other and its customers.

At the heart of its culture is a commitment to putting the customer first. The Directors believe that by truly understanding the customers' needs and providing exceptional service and support, the Group can build long-lasting relationships and create loyal customers who will return to the Group from time to time repeatedly.

# Corporate Governance Report

Innovation is another key value that defines the culture of the Group. The Group encourages its employees to think outside the box and to come up with new and innovative ideas that can help us stay ahead of the competition. The Directors believe that by fostering a culture of creativity and curiosity, the Group can continue to develop cutting-edge products and services that meet the evolving needs of its customers.

Ownership is also a central value in the culture of the Group. The Directors believe that each and every employee has a stake in the success of the company, and the Group encourages everyone to take ownership of their work and to take pride in what they do. The Group empowers its employees to make decisions and to take action, knowing that they have the support and trust of their colleagues and leadership.

Finally, speed is a value that the Group holds dear. The Group understands that in today's fast-paced business world, agility and responsiveness are essential to success. The Group strives to be nimble and efficient in its approach, always looking for ways to streamline its processes and to get things done quickly and effectively.

Overall, its company culture is defined by a commitment to putting the customer first, fostering a culture of innovation and creativity, encouraging ownership and empowerment, and embracing speed and agility. The Directors believe that by living these values every day, the Group can achieve its mission of delivering exceptional products and services to its customers, while also creating a positive and fulfilling work environment for its employees.

Therefore, the Group is committed to conducting its business in accordance with internationally accepted standards of good corporate governance. The Directors believe that each individual at Home Control has a responsibility to comply with the laws and regulations of the countries the Group operates in, and this commitment extends into the way the Group conducts business with its partners. The Group pursues mutually beneficial long term relationships with partners who are committed to acting fairly, with integrity and in line with its sustainability objectives. Given the long established business of the Group for almost 33 years and the profitability of the Group amid the development of COVID situation in 2021 and 2022, the Group believes the current business model is sustainable for a long term.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders. The Company has adopted a corporate governance policy with provisions no less exacting than the Corporate Governance Code and complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code throughout the year ended 31 December 2025 and up to the date of this report, except for the deviation from code provision C.2.1 of the Corporate Governance Code.

As disclosed in the announcement of the Company dated 30 December 2025, Mr. Alain PERROT ("Mr. Perrot") has tendered his resignation as a non-executive Director and ceased to act as the chairman of the Board with effect from 29 December 2025. Following the resignation of Mr. Perrot, the position of the chairman of the Board remains vacant until the Company appoints a suitable successor. The Company has a sound governance structure, and the Board believes that the resignation of Mr. Perrot will not affect the normal operation of the Group. As of the date of this report, the Board is in normal operation, and the Group is carrying out business operations in an orderly manner.

# Corporate Governance Report

In order to comply with code provision C.2.1 of the Corporate Governance Code, the Company is in the process of identifying a suitable candidate to fill the vacancy of the chairman of the Board, and further announcement will be made as and when appropriate in accordance with the Listing Rules.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors and the relevant employees. Upon specific enquiry with all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2025.

## BOARD OF DIRECTORS

As at the date of this report, the Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors.

The composition of the Board is as follows:

Executive Directors:	Mr. Kwok Hoong SIU ( <i>Chief Executive Officer</i> ) Mr. Haofang YANG ( <i>appointed with effect from 16 July 2025</i> )
Non-executive Director:	Ms. Ying MA ( <i>appointed with effect from 16 July 2025</i> )
Independent Non-Executive Directors:	Mr. Min YE ( <i>appointed with effect from 3 September 2025</i> ) Mr. Yi Chung CHEN ( <i>appointed with effect from 3 September 2025</i> ) Mr. Bernard Eng Chuan LIM ( <i>appointed with effect from 31 December 2025</i> )

The biographical details of the Directors are set out in the section headed "Directors and senior Management" of this report. Save as disclosed under the aforementioned heading, there are no other financial, business, family or other material/relevant relationship(s) among the members of the Board and in particular, between the Chairman and the Chief Executive Officer of the company.

Mr. Haofang YANG, Ms. Ying MA, Mr. Min YE, Mr. Yi Chung CHEN and Mr. Bernard Eng Chuan LIM attended training sessions and obtained legal advice from firms of solicitors qualified to advise on Hong Kong law with regards to the requirements under the Listing Rules that are applicable to them as Directors and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Such training sessions were conducted on 4 July 2025 (for Mr. Haofang YANG and Ms. Ying MA), 3 September 2025 (for Mr. Min YE and Mr. Yi Chung CHEN) and 30 December 2025 (for Mr. Bernard Eng Chuan LIM). Each of the above Directors has confirmed his or her understanding of the legal advice provided.

# Corporate Governance Report

During the Year, the Board has at all times met the requirements of (i) Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise; and (ii) Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors that represents at least one-third of the Board.

The Board believes there is sufficient independence element in the Board to safeguard the interest of its shareholders.

Each of the current independent non-executive Directors has given an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules to the company. The Nomination Committee and the Board have assessed the independence of each of the independent non-executive Directors and are satisfied that they have the required character, integrity and experience to fulfil the role of an independent non-executive director and consider each of them to be independent under Rule 3.13 of the Listing Rules.

## ATTENDANCE RECORD OF DIRECTORS

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meeting, Nomination committee meeting and general meeting during the Year is set out below:

	Number of meetings attended/Number of meetings				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
<b>Executive Directors</b>					
Mr. Kwok Hoong Siu	9/9				1/1
Mr. Haofang YANG <sup>(1)</sup>	4/4				0/0
<b>Non-executive Directors</b>					
Ms. Ying MA <sup>(2)</sup>	4/4				0/0
Mr. Wei ZHOU <sup>(3)</sup>	5/5		1/1		1/1
Mr. Ewing FANG <sup>(4)</sup>	5/5				1/1
Mr. Alain PERROT <sup>(5)</sup>	9/9			3/3	1/1
<b>Independent non-executive Directors</b>					
Mr. Min YE <sup>(6)</sup>	2/2				0/0
Mr. Yi Chung CHEN <sup>(7)</sup>	1/2				0/0
Mr. Bernard Eng Chuan LIM <sup>(8)</sup>	0/0				0/0
Mr. Werner Peter VAN ECK <sup>(9)</sup>	9/9	2/2	1/1	3/3	1/1
Dr. Shou Kang CHEN <sup>(10)</sup>	9/9	2/2	1/1		1/1
Ms. Keet Yee LAI <sup>(11)</sup>	8/9	2/2		3/3	1/1

# Corporate Governance Report

## Notes:

- (1) Mr. Haofang YANG has been appointed as an executive Director with effect from 16 July 2025.
- (2) Ms. Ying MA has been appointed as a non-executive Director with effect from 16 July 2025.
- (3) Mr. Wei ZHOU has resigned as a non-executive Director with effect from 6 August 2025.
- (4) Mr. Ewing FANG has resigned as a non-executive Director with effect from 6 August 2025.
- (5) Mr. Alain PERROT has resigned as a non-executive Director with effect from 29 December 2025.
- (6) Mr. Min YE has been appointed as an independent non-executive Director with effect from 3 September 2025.
- (7) Mr. Yi Chung CHEN has been appointed as an independent non-executive Director with effect from 3 September 2025.
- (8) Mr. Bernard Eng Chuan LIM has been appointed as an independent non-executive Director with effect from 31 December 2025.
- (9) Mr. Werner Peter VAN ECK has resigned as an independent non-executive Director with effect from 29 December 2025.
- (10) Dr. Shou Kang CHEN has resigned as an independent non-executive Director with effect from 31 December 2025.
- (11) Ms. Keet Yee LAI has resigned as an independent non-executive Director with effect from 31 December 2025.

## RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is ultimately accountable for the Group's activities, strategies and financial performance, including developing, reviewing development plan and budget; monitoring financial statement and operating performance, corporate governance policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and General Business Principles manual applicable to employees and management; reviewing the Group's compliance with the Model Code and disclosure in this Report; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group, management training and development; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to the Company's management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The Board gives clear directions to the management team as to their powers of management, and circumstances in which the management team should report back.

# Corporate Governance Report

## DIRECTORS' INDUCTION AND PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive, formal and tailored induction package covering key guidelines and documents relevant to their roles, responsibilities and ongoing obligations, materials of business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

To ensure that Directors' contribution to the Board or committees remains informed, the Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally.

On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate. The Directors are requested to provide the Company with their respective training records pursuant to the new requirement of the Code on continuous professional development.

During the Year, Mr. Kwok Hoong SIU, Mr. Haofang YANG, Ms. Ying MA, Mr. Min YE, Mr. Yi Chung CHEN, Mr. Bernard Eng Chuan LIM, Mr. Wei ZHOU (resigned with effect from 6 August 2025), Mr. Ewing FANG (resigned with effect from 6 August 2025), Mr. Alain PERROT (resigned with effect from 29 December 2025), Mr. Werner Peter VAN ECK (resigned with effect from 29 December 2025), Mr. Shou Kang CHEN (resigned with effect from 31 December 2025) and Ms. Keet Yee LAI (resigned with effect from 31 December 2025) participated in the training which included reading regulatory updates or information relevant to the Group or its business during the year ended 31 December 2025.

## CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the corporate governance function. Pursuant to the terms of reference of Audit Committee, part of such duties were delegated to the Audit committee, and the Audit committee is responsible for performing the corporate governance functions such as developing and reviewing the company's policies, practices on corporate governance, training and development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and reviewing Company's compliance with the Corporate Governance Code.

During the Year, the Board (i) developed, reviewed and made recommendations on the Company's corporate governance policies and practices; (ii) reviewed and monitored the training and continuous professional development of the Directors and senior management; (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; and (iv) reviewed and monitored the compliance of the Model Code, and the Company's compliance with the Corporate Governance Code and disclosure in this Corporate Governance Report.

The Board held meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings will be given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers is sent to all Directors at least 3 days before the date of a Board meeting in order to allow sufficient time for the Directors to review the documents.

# Corporate Governance Report

Minutes of each Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the company for the year ended 31 December 2025.

## DIVIDEND POLICY

The Board has approved and adopted a dividend policy on 14 October 2019 (the "Dividend Policy"). It is the policy of the Board, in considering the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

Under the Dividend Policy, 30% of the Company's annual distributable profits are expected to be distributed as dividends in the future. The declaration of dividends is subject to the discretion of the Board and the approval of the shareholders of the Company, and the Company may change the Dividend Policy or distribution ratio in the future. There is no assurance that the Company will be able to distribute dividends of such amounts or any amounts in every year or any year in the future.

The Board may recommend a payment of dividends in the future after taking into account the Group's operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, shareholders' interest and other factors which the Board may deem relevant at such time.

Any declaration and payment as well as the amount of the dividends will be subject to the constitutional documents and the Companies Law of the Cayman Islands, including the approval of the shareholders of the Company. Any future declarations of dividends may or may not reflect the historical declarations of dividends of the Group and will be at the absolute discretion of the Board.

Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in its operations.

# Corporate Governance Report

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision B.2.2 of the Corporate Governance Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Executive Director is appointed for a term of one year, and renewable automatically thereafter for successive terms of one year each until terminated by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Directors, including independent non-executive Directors, is appointed for a term of one year and renewable automatically thereafter for successive terms of one year each commencing from the date next after the expiry of the then current term of office until terminated in accordance with the terms of their letters of appointment.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of the Group other than contracts expiring or determinable by the company within one year without the payment of compensation (other than statutory compensation).

In accordance with the Articles, any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election at such meeting. In addition, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

## BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available for viewing on the websites of the Company and the Stock Exchange.

## AUDIT COMMITTEE

As at the date of this report, the Audit Committee has three members, namely Mr. Bernard Eng Chuan LIM, Mr. Min YE and Mr. Yi Chung CHEN, all being independent non-executive Directors. The chairman of the Audit Committee is Mr. Bernard Eng Chuan LIM.

The primary responsibilities of the Audit Committee are:

- to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group

# Corporate Governance Report

- to oversee the audit process
- to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting functions, as well as those relating to the Group's ESG performance and reporting
- to review the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the issuer's ability to respond to changes in its business and the external environment
- to review the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and the work of its internal audit function and other assurance providers
- to review the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the Group and the effectiveness of risk management
- to review significant control failings or weaknesses that have been identified during the period, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition
- to review the effectiveness of the Group's processes for financial reporting and compliance of the Listing Rules
- to perform other duties and responsibilities as assigned by the Directors

During the Year, the Audit Committee has reviewed the unaudited consolidated financial statements for the six months ended 30 June 2025 and the audited consolidated financial statements of the Group for the year ended 31 December 2024 and has met with the independent auditor, PwC SG. The Audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company. The Audit Committee reviewed the Company's policies and practices on corporate governance. The Audit committee has conducted review of the risk management and internal control systems, and the effectiveness of the issuer's internal audit function. Please see the disclosure in this section headed "Internal Control and Risk Management" of this report for further information.

The Audit Committee has adopted its terms of reference in compliance with code provisions set out in the Corporate Governance Code. According to the terms of reference of the Audit Committee, meeting of the Audit Committee shall be held at least twice a year and members of the Audit Committee should also meet with the external auditor at least twice a year. During the Year, 2 meetings of the Audit Committee were held.

For the year ended 31 December 2025, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor.

# Corporate Governance Report

## REMUNERATION COMMITTEE

As at the date of this report, Remuneration Committee consists of three members, including two independent non-executive Directors, namely Mr. Yi Chung CHEN and Mr. Min YE and a non-executive Director, Ms. Ying MA. The chairman of the Remuneration Committee is Mr. Yi Chung CHEN.

The Remuneration Committee has adopted its terms of reference in compliance with code provisions set out in the Corporate Governance Code. The principal responsibilities of the Remuneration Committee include (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) making recommendations to the Board on the remuneration packages for individual executive Directors and senior management of the company; (iii) making recommendations to the Board on the remuneration of the non-executive Directors; and (iv) reviewing and recommending the management's remuneration proposals with reference to the Board's corporate goals and objectives.

The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Groups performance. The Company adopted the Scheme on 1 May 2015 as incentive for eligible employees. The company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. For details of the remuneration policy, please refer to the section headed "Employees, Remuneration Policy" of the Report of the Directors of this Report.

During the Year, the Remuneration Committee meeting reviewed, assessed and considered (i) the policy and structure for the remuneration of the Directors and senior management and (ii) the performance and the remuneration of the Directors and senior management. The Remuneration Committee also reviewed and approved the terms of the Directors' service contracts and letters of appointment.

According to the terms of reference of the Remuneration Committee, meeting of the Remuneration Committee shall be held at least once a year. During the Year, 1 meeting of the Remuneration Committee was held.

Details of the remuneration payable to each Director of the Company for the year ended 31 December 2025 are set out in note 9 in the "Notes to Consolidated Financial Statements".

# Corporate Governance Report

The remuneration of the members of senior management by band for the year ended 31 December 2025 is set out below:

Remuneration to the senior management by bands HK\$	Number of Senior management
Nil to HK\$1,000,000	–
HK\$1,000,001 to HK\$1,500,000	–
HK\$1,500,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$2,500,000	–
HK\$2,500,001 to HK\$3,000,000	–
HK\$3,000,001 to HK\$3,500,000	–
HK\$3,500,001 to HK\$4,000,000	1
<b>Total</b>	<b>2</b>

## NOMINATION COMMITTEE

As at the date of this report, the Nomination Committee has three members, including two independent non-executive Directors, namely Mr. Min YE and Mr. Yi Chung CHEN and a non-executive Director, Ms. Ying MA. The chairman of the Nomination Committee is Mr. Min YE.

The roles and functions of the Nomination committee include reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer of the Company.

During the Year, the Nomination committee reviewed and considered (i) the Board structure, size, composition and Board diversity (including skills, knowledge and experience etc.); (ii) the effectiveness of the company's board diversity policy; (iii) the independence of independent non-executive Directors; (iv) the retirement and re-nomination of Directors for re-election at the forthcoming annual general meeting of the company; (v) the sufficiency of time and contributions made to the Group that are commensurate with their role and board responsibilities by the Directors; and (vi) the appointment of new Directors.

The Nomination committee has adopted its terms of reference in compliance with code provisions set out in the Corporate Governance Code. According to the terms of reference of the Nomination Committee, meeting of the Nomination Committee shall be held at least once a year. During the Year, 1 meeting of the Nomination Committee was held.

# Corporate Governance Report

## Nomination Policy

The Company has also adopted a nomination policy (the “Nomination Policy”) which sets out the details of the key selection criteria and nomination procedures for the Nomination committee in making recommendations to the Board on the appointment of Directors, and succession planning for Directors. In order to achieve and/or maintain gender diversity, the Nomination Committee will propose a pipeline of potential successors to the Board to achieve gender diversity.

## Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (a) reputation for integrity;
- (b) accomplishment and experience in the business in which the company is engaged in;
- (c) commitment in respect of available time and relevant interest;
- (d) diversity in all its aspects, including but not limited to race, gender, age, educational background, professional experience, skills and length of service;
- (e) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;
- (f) the number of existing directorships and other commitments that may demand the attention of the candidate;
- (g) requirement for the Board to have independent non-executive directors in accordance with the Listing Rules;
- (h) whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- (i) Board diversity policy of the company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
- (j) such other perspectives appropriate to the company’s business; and
- (k) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

# Corporate Governance Report

## **Nomination Procedures for a new Director**

Subject to the provisions in the Articles and the Listing Rules, if the Board recognises the need for an additional Director or a member of senior management, the following procedure will be followed:

- (1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;
- (2) The Nomination committee and/or the company secretary of the company will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the companies Law of the cayman Islands and other regulatory requirements for any candidate for appointment to the Board;
- (3) The Nomination committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;
- (4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;
- (5) In the case of the appointment of an independent non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and
- (6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

## **Re-election of Director at General Meeting**

- (1) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and his/her level of participation and performance on the Board. Where a retiring Director, being eligible, offers himself/herself for re-election, and the Board considers appropriate, the Board shall recommend such retiring Director to stand for re-election at a general meeting.
- (2) If an independent non-executive Director is subject to the re-election, the Nomination Committee and/or the Board will also assess and consider whether the independent non-executive Director will continue to satisfy the independence requirements as set out in the Listing Rules, including in the case where an independent non-executive Director has served more than nine years, such Director's further appointment should be subject to a separate resolution to be approved by shareholders as required under the Corporate Governance Code. The Nomination committee and/or the Board should then make recommendation to shareholders of the Company in respect of the proposed re-election of Director at the general meeting.

# Corporate Governance Report

- (3) The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles and other applicable rules and regulations.

## Annual Assessment of Board Independence

The Company recognises that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and independent views.

As a good corporate governance policy, every member of the Nomination Committee abstained from assessing his/her own independence. The Nomination Committee affirmed that all independent non-executive Directors continued to demonstrate strong independence in judgment and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.

The Nomination Committee reviewed on an annual basis and considered that the following key features or mechanisms under the Board's structure are effective in ensuring independent views and input are provided to the Board:

- Board and Committees' Structure
- Since Listing, the Company has been steered by the Board, comprising a majority of non-executive Directors. During the Reporting Period, Mr. Kwok Hoong SIU and Mr. Haofang YANG are the only executive Directors on the Board and all the remaining 4 Directors are not related to each other and any members of the senior management of the Group.
  - All Board committees are chaired by independent non-executive Directors and comprised of a majority of independent non-executive Directors, the Nomination Committee was comprised of Mr. Min YE (an independent non-executive Director), Ms. Ying MA (a non-executive Director) and Mr. Yi Chung CHEN (an independent non-executive Director).
  - The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload.
  - The independent non-executive Directors have consistently demonstrated strong commitment and ability to devote sufficient time to discharge their responsibilities.
  - The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should such circumstances arise.

# Corporate Governance Report

- Independent Non-executive Directors' Tenure

  - Where an independent non-executive Director has served more than nine years, such Director's further appointment should be subject to a separate resolution to be approved by shareholders in compliance with the Corporate Governance Code.
- Independent Non-executive Directors' Interests in the Shares

  - During the Reporting Period, none of the non-executive Directors holds Shares, and participates in the Share Award Scheme.
- Directors' Interest in Transactions

  - Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate.
- External Advice

  - External independent professional advice is available to all Directors, including independent non-executive Directors.

## BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy with the aim of achieving diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance its operating results and quality of its performance. Selection of candidates will be based on a range of diversity perspectives and measurable objectives which will be reviewed regularly which include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merits and contribution that the selected candidates will bring to the Board. Furthermore, pursuant to code provision B.1.3 of the Corporate Governance Code, the Board should review the implementation and effectiveness of the issuer's policy on board diversity on an annual basis. The Nomination Committee has performed the above duties in terms of selection of candidates and reviewed the implementation and effectiveness of the Company's Board diversity policy during the Year.

Pursuant to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. As at the date of this report, the Board comprises six Directors, including one female Director. There are three independent non-executive Directors on the Board which help promote critical review and control of the management process. Based on the foregoing, the Nomination committee considers that the current Board is sufficiently diversified in terms of its gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

# Corporate Governance Report

## Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the date of this report:

	Female	Male
<b>Board</b>	17%	83%
	1	5
<b>Senior Management</b>	50%	50%
	1	1
<b>Other employees</b>	41%	59%
	58	82
<b>Overall workforce</b>	41%	59%
	60	88

The Board had targeted to achieve and had achieved at least one female Director, 50% (1) of female senior management and 41% (58) of female employees of the Group during the Year and considers that the above current gender diversity is satisfactory. The Board will endeavour to maintain at least 1 female representation on the Board and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

During the Year, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

For details on the gender ratio of the Group together with relevant data, please refer to the 2025 sustainability Report, to be published on the same date as this report.

The Company has been taking, and will continue to take steps to promote gender diversity at the Board and management levels. To achieve diversity at workforce level, the Group has set out the following targets and policies:

- (a) the Group is committed to providing career development opportunities to its female staff. Since Listing, the Group has deployed resources in training senior female staff who have long and relevant experience in the Group's business, including but not limited to accounting and finance, operation and research and development. The Directors believe that this policy could develop a pipeline of potential successor and provide required manpower resources to achieve gender diversity in the Board.
- (b) the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates are considered.

# Corporate Governance Report

## FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report of this report) for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the consolidated financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the company.

### Internal Control and Risk Management

The Board is responsible for the oversight of the Group's risk management and internal control systems. Such systems are designed to manage rather than to eliminate the risks that will adversely hinder the Group from achieving its business objectives, and can only provide reasonable, but not absolute assurance against material misstatement or loss.

The Board, with the assistance of the Audit Committee, reviews the Group's risk management and internal control systems over its business operations annually. The review includes major financial, operational, compliance and IT controls. Given the size, nature and complexity of the business of the Group, the Board has assessed the need to appoint an external independent professional firm to assist with the internal audit function for the Group. For the year ended 31 December 2025, the Company has appointed a professional firm to assist the Group in reviewing the risk management and internal controls systems for the Year.

# Corporate Governance Report

The key components of the Group's risk management and internal control systems are as follows:

## Control

The Board believes that good corporate governance reflects the culture of an organization which is more significant than any written procedures.

The Company aims at all times to act ethically and with integrity, and to instill this behaviour in all its employees by having good tone at the top.

The company is committed to developing and maintaining high professional and ethical standards. These are reflected in the rigorous selection process and career development plans for all employees. The organisation prides itself on being a long-term employer which instills in individuals, as they progress through the Group, a thorough understanding of the Company's ways of thinking and acting.

Channels of communication are clearly established, allowing employees a means of communicating their views upwards with a willingness on the part of more senior personnel to listen. Employees are aware that, whenever the unexpected occurs, attention should be given not only to the event itself, but also to determining the cause.

Employees are encouraged (and instructed as to how) to report control deficiencies or suspicions of impropriety to those who are in a position to take necessary action. The company has a whistleblowing policy and system for employees and those who deal with the Group to raise concerns, in confidence and with anonymity, where desired, about actual or suspected cases of impropriety in any matter related to the Group.

The Company has an anti-corruption policy and system which sets out the Company's policy and systems that promote and support compliance with applicable anti-bribery and corruption laws and regulations.

# Corporate Governance Report

## Risk Assessment

The Board of Directors and the management each have a responsibility to identify and analyse the risks underlying the achievement of business objectives, and to determine how such risks should be managed and mitigated. The Board has adopted the three lines of defence model of risk governance. The first line manages risks. The second line oversees the management of risks. The third line assesses the effectiveness of risk controls. The model is designed to ensure that the Board has assurance as to the effectiveness of risk management in the Group's businesses and that conflicts of interest are minimised.

## Management Structure

The Group has a clear organisational structure that, to the extent required, delegates the day-to-day responsibility for the design, documentation and implementation of procedures and monitoring of risk. Individuals appreciate where they will be held accountable in this process. A control self-assessment process requires the management in each material business unit to assess, through the use of detailed questionnaires, the adequacy and effectiveness of risk management and internal controls over the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations. This process and its results are reviewed by the Audit Committee.

## Control and Review

The control environment comprises policies and procedures intended to ensure that relevant management directives are carried out and actions that may be needed to address risks are taken. These may include approvals and verifications, reviews, safeguarding of assets and segregation of duties. Control activities can be divided into operations, financial reporting and compliance, although there may, on occasion, be some overlap between them.

The Company has in place effective processes and systems for the identification, recording and reporting of operational, financial and compliance related information in a form and time frame intended to ensure that staff carry out their designated responsibilities.

# Corporate Governance Report

The Board has, through the Audit Committee, conducted review of the adequacy and effectiveness of the risk management and internal control systems of the Group for the Year, with the assistance of the professional firm, to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting. The review report, with examination results (including the identification of major risks in operation) and relevant improvement recommendations were duly reported to the Audit Committee and the Board. This allows the Audit committee and the Board to assess the key risks and controls of the Group and the effectiveness of the risk management system, including any material failings or weaknesses in the internal control system (if any), and to take appropriate actions to remedy any of these failings or weaknesses in a timely manner. All remedial actions will be regularly followed up where necessary to ensure that the failings and weaknesses have been duly addressed. The company has received a confirmation from management on the effectiveness of the issuer's risk management and internal control systems. The Board considers that the risk management and internal control systems are effective and adequate and that the Group has complied with the code provisions relating to risk management and internal control systems.

The professional firm has assisted in the enterprise risk assessment process by facilitating a risk refresher workshop in 2026 to validate the Group's risk inventory. Enterprise risks are categorised into 5 categories: i) Strategic; ii) Compliance; iii) Financial; iv) Operational; and v) Technological, and the identified group key risks are prioritised by management during the risk exercise. The refreshed risk profile is used to formulate the risk-based Internal Audit Plan for the next 3 years. Management is responsible for the effective implementation of risk management strategy, policies and processes, which lay the foundation of the risk management and internal control systems to facilitate the achievement of business plans and goals.

## POLICY AND PROCEDURES ON DISCLOSURE OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policies so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

An employee who becomes aware of a matter or event that he/she considers to be material or inside information shall report to his/her division/department head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report to the Board and/or the company secretary of the company.

# Corporate Governance Report

## WHISTLE-BLOWING POLICY AND SYSTEM

All employees are reminded that violations will result in disciplinary action, and in the most severe cases, amount to dismissal. The Group's whistle-blowing channels are open for reporting of concerns over suspected cases of violation to be brought to the attention of the compliance officers of the Group, mandated to swiftly address the issue, ideally before it becomes a violation of any laws or pose risks to health, security or safety. As of 2025, there were no cases of critical concerns that were communicated to the highest governance body.

## ANTI-CORRUPTION POLICY AND SYSTEM

In 2024, the Group continued to uphold a high standard of corporate governance, operating with integrity and transparency. The Board is pleased to report that in FY2025, the Group maintained a record of being fully compliant with all laws and regulations in Singapore and China, with zero reported violations and cases of the internal code of conduct of the Group, applicable laws, including anti-corruption, data privacy, health and safety, labour and human rights, and environmental regulations.

The Group is open, honest and ethical in all the dealings, and does not employ corrupt practices such as bribery or money laundering. Only gifts or hospitality that are reasonable and proportionate can be accepted or offered, and the Group does not make facilitation payments to speed up or secure the performance of a routine government action. Commission payments to business partners must also be justified by clear and demonstrable services they have rendered. With respect to money laundering, the Group tracks suspicious transactions such as payments between unknown entities through an excessive number of intermediaries, high-value cash transactions, or payments made or received by suspicious entities or involving high-risk countries. Any employee who suspects any such case has an obligation to report this to the compliance officers of the Group.

As part of the Group's anti-corruption practice, the employees, including the executive Director and Directors are required to attend anti-bribery trainings every year. In 2025, all of the employees of the Group have undergone a one-hour anti-bribery training course. The course outlined anti-bribery acts across various jurisdictions, key differences between bribery and gift/entertainment as well as the company's anti-bribery & anti-corruption policies.

# Corporate Governance Report

## AUDITOR'S REMUNERATION

The Company appointed PwC SG as its independent auditor with effect from 14 November 2023 upon retirement of PwC HK which took effect on 14 November 2023. For details of the change of independent auditor of the Company, please refer to the section "AUDITOR – Change of auditor in the past three years" in this report. For the year ended 31 December 2025, the total amount of remuneration paid or payable to PwC SG and other PwC network firm in respect of the audit services and non-audit services is S\$624,240, breakdown of which is as follows:

Services rendered	S\$
Audit services	551,000
Non-audit services <sup>1</sup>	73,240
<b>Total (S\$)</b>	<b>624,240<sup>2</sup></b>

Notes:

- (1) For tax compliance and transfer pricing services.
- (2) Equivalent to approximately US\$485,000.

## COMPANY SECRETARY

Ms. Sum Yi TSUI, was appointed as the company secretary of the company on 14 July 2020. Ms. Tsui is currently a senior manager of Vistra Corporate Services (HK) Limited, a professional provider of corporate services. She has over fifteen years of experience in providing company secretarial and compliance services to private and listed companies. Her primary contact person at the Company is Ms. Guat Beng NG, the global financial controller of the company.

In accordance with Rule 3.29 of the Listing Rules, Ms. Tsui has taken no less than 15 hours of relevant professional training during the Year.

## SHAREHOLDERS' RIGHTS

The general meetings of the company provide an opportunity for communication between the shareholders of the company and the Board. An annual general meeting of the company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

# Corporate Governance Report

## Right to convene extraordinary general meeting

Pursuant to article 12.3 of the Articles, EGM shall be convened on the written requisition of one or more shareholders of the Company holding together, at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. Such written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the company.

## Right to put enquiries to the Board

Shareholders of the Company have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong (presently at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong) for the attention of the company secretary of the Company or by e-mail to [info@omnidevices.com](mailto:info@omnidevices.com).

## Right to put forward proposals at general meetings

There are no provisions under the Articles regarding procedures for the company's shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders of the Company may follow the procedures set out above to convene an EGM for any business specified in such written requisition.

## SHAREHOLDERS ENGAGEMENT

### Directors' Shareholding Interests

Directors' interests in the company's securities as at 31 December 2025 are disclosed in the Directors' Report. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2025 they have complied with the required standard set out in the Model Code and the Company's own Code for securities Transactions. The company's own Code for securities Transactions is largely based on the Model Code set out in Appendix C3 of the Listing Rules and is on terms no less exacting than those in the Model Code.

# Corporate Governance Report

## Shareholding as at 31 December 2025

Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1-1,000	2	9.5238	100	0.0000
1,001-5,000	11	52.3809	24,000	0.0044
5,001-10,000	0	0.0000	0	0.0000
10,001-100,000	3	14.2857	88,000	0.0164
Above 100,000	5	23.8095	534,961,900	99.9790
<b>Total</b>	<b>21</b>	<b>100</b>	<b>535,074,000</b>	<b>100</b>

The Listing Rules required 25% public float, which was maintained throughout the Year and up to the date of this report.

## Important shareholders' dates in 2026

The following are the key shareholder-related dates and events:

Date	Event
26 March 2026	Publication of announcement of annual result for the year ended 31 December 2025
16 April 2026	Publication of this report on the Stock Exchange and the Company's websites
16 April 2026	Publication of the AGM notice on the Stock Exchange and the Company's websites
4:30 p.m. on Friday, 5 June 2026	Latest time to lodge transfers of shares
Monday, 8 June 2026 to Friday, 12 June 2026 (both days inclusive)	Closure of register of members for ascertaining Shareholders' right to attend and vote at the AGM
12 June 2026	Date of AGM
4:30 p.m. on Wednesday, 24 June 2026	Latest time to lodge transfers of shares
Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both days inclusive)	Closure of register of members for ascertaining Shareholders' entitlement to the proposed final dividend
On or about Wednesday, 15 July 2026	Payment date of the proposed final dividend

# Corporate Governance Report

## INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders to enable shareholders and investors to have access, on a fair and timely basis, to information that is reasonably required for making the best investment decisions. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at [www.omnidevices.com](http://www.omnidevices.com). The Company endeavours to maintain an open and on-going dialogue with the shareholders and, in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

Shareholders are welcomed to make enquiries to the company by sending the enquiries to the principal place of business in Hong Kong of the Company, or via email [info@omnidevices.com](mailto:info@omnidevices.com). The company will respond to all enquiries in a timely and appropriate manner.

The Company has reviewed the implementation and effectiveness of the shareholders' communication policy from time to time. Having considered the multiple channels of communication and engagement in place, the Board is satisfied that the shareholders' communication policy has been properly implemented during 2025 and is effective.

The Board reviews the investor relations and communications policy on an annual basis, and makes any changes it considers necessary to ensure its effectiveness and that the legal interests of Shareholders and investors are substantially protected. The Board has conducted a review of the implementation and effectiveness of the investor relations and communications policy of the Company. Having considered the diverse channels of communication in place, the Board is satisfied that an effective investor relations and communications policy has been properly implemented throughout the year ended 31 December 2025.

## CONSTITUTIONAL DOCUMENTS

There has been no change to the company's constitutional documents during the Year. The Articles are available on the websites of the Company and the Stock Exchange.

# Five Years Financial Summary

A summary of the condensed audited consolidated results and of the assets and liabilities of the Group for the five financial years is set out below:

## Results

	For the year ended 31 December				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Revenue	<b>109,399</b>	107,452	101,008	126,560	126,008
Finance costs – net	<b>(227)</b>	(853)	(2,103)	(1,272)	(2,471)
Profit/(Loss) before tax	<b>8,502</b>	4,214	(1,563)	6,135	5,697
Income tax expense	<b>(1,398)</b>	(1,706)	(56)	(1,560)	(1,891)
Profit/(Loss) for the year	<b>7,104</b>	2,508	(1,619)	4,575	3,806
Total comprehensive income/(loss) for the year	<b>7,304</b>	2,362	(1,546)	4,516	3,836

## Assets and Liabilities

	As at 31 December				
	2025 US\$'000	2024 US\$'000	2023 US\$'000	2022 US\$'000	2021 US\$'000
Non-current assets	<b>10,944</b>	11,356	12,509	16,475	19,526
Current assets	<b>67,465</b>	57,135	58,227	63,892	86,364
Total assets	<b>78,409</b>	68,491	70,736	80,367	105,890
Current liabilities	<b>32,941</b>	42,808	36,363	39,010	63,418
Non-current liabilities	<b>602</b>	510	11,562	17,053	20,901
Total liabilities	<b>33,543</b>	43,318	47,925	56,063	84,319
Net assets	<b>44,866</b>	25,173	22,811	24,304	21,571

# Independent Auditor's Report



**To the Shareholders of Home Control International Limited**

*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

### What we have audited

The consolidated financial statements of Home Control International Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 81 to 160, comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

---

*PricewaterhouseCoopers LLP, 7 Straits View, Marina One East Tower Level 12, Singapore 018936  
T: (65) 6236 3388, [www.pwc.com/sg](http://www.pwc.com/sg) GST No: M90362193L Reg. No: To9LLOOID*

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to impairment assessment of goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b><i>Impairment assessment of goodwill</i></b></p> <p>Refer to note 2.5, 2.9, 4 and 16 to the consolidated financial statements.</p> <p>As at 31 December 2025, the carrying amount of goodwill recognised in the consolidated financial statements of financial position of the Group amounted to US\$8.9 million. The goodwill arose from the acquisition of Home Control Singapore Pte. Ltd. in April 2015 and has been allocated to the remote control products cash-generating unit ("CGU") for the purpose of impairment assessment.</p> <p>In accordance with IAS 36 Impairment of Assets, management performs an annual impairment assessment of goodwill. The recoverable amount of the CGU was determined based on a value-in-use calculation using a discounted cash flow ("DCF") model. No impairment loss was recognised, as the recoverable amount exceeded the carrying value of the CGU.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>Understanding the management's assessment process of impairment of goodwill and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgements involved in determining the assumptions to be applied;</li> <li>With the involvement of our valuation experts, we assessed the appropriateness of the valuation methodology used and the reasonableness of key assumptions based on our knowledge of the business and industry conditions;</li> <li>Tested source data to supporting evidence on a sample basis, such as approved budgets and available market data and considered the reasonableness of these budgets;</li> </ul>

# Independent Auditor’s Report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b><i>Impairment assessment of goodwill</i></b></p> <p>We focused on this area because the impairment assessment involves significant management judgement, particularly in determining key assumptions used in the DCF model, including revenue growth rate, operating margins, discount rate and terminal growth rate. Small changes in these assumptions could have a significant impact on the estimated recoverable amount.</p>	<ul style="list-style-type: none"> <li>• Considered the potential impact of reasonably possible changes on the key assumptions; and</li> <li>• Considered the adequacy of the relevant disclosures in the consolidated financial statements relating to the impairment assessment.</li> </ul> <p>We found the assumptions adopted in relation to these impairment assessments to be supportable and reasonable based on available evidence.</p>

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditor's Report

## RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## Independent Auditor's Report

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## Independent Auditor's Report

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Charlotte Hsu.

### **PricewaterhouseCoopers LLP**

*Public Accountants and Chartered Accountants*

Singapore, 26 March 2026

# Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>Revenue</b>	6	<b>109,399</b>	107,452
Cost of Sales	8	<b>(76,764)</b>	(76,601)
<b>Gross Profit</b>		<b>32,635</b>	30,851
Other Income	6	<b>235</b>	253
Selling and distribution expenses	8	<b>(7,788)</b>	(7,297)
Administrative expenses	8	<b>(12,081)</b>	(12,027)
(Provision for)/reversal of provision for impairment loss:			
– Trade receivables		<b>(16)</b>	77
– Finance asset at amortised cost	17	–	(3,229)
Other expenses	8	<b>(4,256)</b>	(3,561)
Finance costs – net	7	<b>(227)</b>	(853)
<b>Profit before tax</b>		<b>8,502</b>	4,214
Income tax expense	11	<b>(1,398)</b>	(1,706)
<b>Profit for the year and attributable to owners of the Company</b>		<b>7,104</b>	2,508
<b>Other comprehensive income/(loss):</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign Operations		<b>200</b>	(146)
<b>Other comprehensive income/(loss) for the year</b>		<b>200</b>	(146)
<b>Total comprehensive income for the year and attributable to owners of the Company</b>		<b>7,304</b>	2,362
<b>Earnings per share for profit attributable to owners of the company:</b>			
Basic	13	<b>US 1.39 cents</b>	US 0.49 cents
Diluted	13	<b>US 1.39 cents</b>	US 0.49 cents

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment and right-of-use assets	14	1,718	2,255
Other intangible assets	15	56	24
Goodwill	16	8,877	8,877
Deferred tax assets	28	293	200
Total non-current assets		10,944	11,356
<b>Current assets</b>			
Financial assets at amortised costs	17	–	–
Inventories	18	10,054	13,371
Trade receivables	19	23,764	23,575
Prepayments and other receivables	20	912	746
Cash and cash equivalents	21	32,735	19,443
Total current assets		67,465	57,135
<b>Total assets</b>		<b>78,409</b>	68,491
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	22	24,023	28,656
Other payables and accruals	23	6,868	6,325
Advance received from customers		1	15
Interest-bearing bank loans	24	–	6,171
Lease liabilities	25	266	333
Provisions	26	7	42
Tax payable		1,776	1,266
Total current liabilities		32,941	42,808
Net current assets		34,524	14,327
Total assets less current liabilities		45,468	25,683

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>Non-current liabilities</b>			
Other payables and accruals	23	59	59
Lease liabilities	25	155	165
Provisions	26	267	183
Deferred tax liabilities	28	121	103
Total non-current liabilities		602	510
<b>Net assets</b>		<b>44,866</b>	25,173
<b>EQUITY</b>			
Share capital	29	5,351	5,067
Reserves	31	39,515	20,106
<b>Total equity</b>		<b>44,866</b>	25,173

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 81 to 160 were approved by the Board of Directors on 26 March 2026 and were signed on its behalf

**Haofang YANG**

Director

**Kwok Hoong SIU**

Director

# Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2025

	Share capital US\$'000	Share premium* US\$'000	Statutory reserve* US\$'000	Retained profits* US\$'000	Exchange fluctuation reserve* US\$'000	Capital reserve* US\$'000	Total US\$'000
At 1 January 2025	5,067	8,013	47	8,879	(453)	3,620	25,173
Profit for the year	-	-	-	7,104	-	-	7,104
Other comprehensive income for the year:							
Exchange differences related to foreign operations	-	-	-	-	200	-	200
Total comprehensive income for the year	-	-	-	7,104	200	-	7,304
Share placement	284	13,370	-	-	-	-	13,654
Dividends distribution	-	(1,265)	-	-	-	-	(1,265)
At 31 December 2025	5,351	20,118	47	15,983	(253)	3,620	44,866
At 1 January 2024	5,067	8,013	47	6,371	(307)	3,620	22,811
Profit for the year	-	-	-	2,508	-	-	2,508
Other comprehensive income for the year:							
Exchange differences related to foreign operations	-	-	-	-	(146)	-	(146)
Total comprehensive income for the year	-	-	-	2,508	(146)	-	2,362
At 31 December 2024	5,067	8,013	47	8,879	(453)	3,620	25,173

\* These reserve accounts comprise the consolidated reserves of US\$39,515,000 (2024: US\$20,106,000) in the consolidated statement of financial position as at 31 December 2025.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>Cash flows from operating activities</b>			
Profit before tax		8,502	4,214
Adjustments for:			
– Depreciation of property, plant and equipment	14	1,075	1,371
– Depreciation of right-of-use assets	14	409	493
– Amortisation of other intangible assets	15	13	11
– Amortisation of loan arrangement, facility and legal fees	7	79	65
– Loss on disposal of property, plant and equipment & right-of-use assets	8	10	82
– Interest expenses	7	148	987
– Interest income		(56)	(44)
– Modification gain on other receivables	7	–	(199)
– Effect of exchange rate changes		60	35
– Provision for Impairment loss on financial assets	17	16	3,229
– Provision for inventories	18	210	367
		<b>10,466</b>	10,611
Change in working capital:			
– Decrease/(Increase) in inventories		3,117	(2,616)
– (Increase)/Decrease in trade receivables		(635)	3,053
– (Increase)/Decrease in prepayment and other receivables		(169)	623
– (Decrease)/Increase in trade payables		(4,575)	939
– Increase in other payables and accruals		543	2,232
– Decrease in payment from customers		(14)	(38)
– Increase/(Decrease) in provisions		49	(94)
		<b>8,782</b>	14,710
<b>Cash generated from operating activities</b>		<b>8,782</b>	14,710
Net income tax paid		(963)	(498)
		<b>7,819</b>	14,212
<b>Net cash generated from operating activities</b>		<b>7,819</b>	14,212

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2025

	Note	2025 US\$'000	2024 US\$'000
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	10	(610)	(948)
Purchases of other intangible assets		(43)	(24)
Interest received		56	44
<b>Net cash used in investing activities</b>		<b>(597)</b>	<b>(928)</b>
<b>Cash flows from financing activities</b>			
Repayment of interest-bearing bank loans	33	(6,250)	(8,900)
Principal portion of lease payments	33	(384)	(504)
Interest portion of lease liabilities	33	(35)	(32)
Interest paid	33	(113)	(955)
Dividends paid	12	(1,265)	–
Proceeds from placement		13,654	–
<b>Net cash generated from/(used in) financing activities</b>		<b>5,607</b>	<b>(10,391)</b>
<b>Net increase in cash and cash equivalents</b>		<b>12,829</b>	<b>2,893</b>
Cash and cash equivalents at beginning of year		19,443	16,872
Effects of exchange rate changes on cash and cash equivalents		463	(322)
<b>Cash and cash equivalents at end of year</b>		<b>32,735</b>	<b>19,443</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the provision of solutions for sensing and control technologies marketed in the smart home automation, consumer electronics and set-top-box segments.

The Shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange") since the listing date on 14 November 2019.

The immediate and ultimate holding companies of the Company are Meta-Wisdom Tech Limited and O-Sycamore Holdings Limited respectively. Both companies are incorporated in the British Virgin Islands.

This consolidated financial statements are presented in thousands of unit of United States Dollars ("US\$'000"), unless otherwise stated. This consolidated financial statement has been approved for issue by the Board on 26 March 2026.

### Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025	2024	
HCIL Master Option Limited ("HCIL Master Option")	Cayman Islands 9 April 2015	US\$50,000	100 (direct)	100 (direct)	Investment holding
Home Control Singapore Pte. Ltd. ("Home Control Singapore")	Singapore 10 October 2012	US\$31,628,400	100 (direct)	100 (direct)	Sale of remote control products
Orbiva Limited ("Orbiva")	Hong Kong 22 September 2025	HKD10,000,000	100 (direct)	–	Healthcare-related businesses
HCS (Suzhou) Limited ("HCS (Suzhou)")*	The People's Republic of China (the "PRC") 3 March 2011	US\$300,000	100 (indirect)	100 (indirect)	Research and development
Home Control Solutions (Suzhou) Limited ("Home Control Suzhou")*	The PRC 28 July 2015	US\$2,000,000	100 (indirect)	100 (indirect)	Sale of remote control products
Omni Remotes do Brasil Ltda ("Omni Brazil")	Brazil 20 January 2016	R\$500,000	99 (indirect)	99 (indirect)	Technical sales support
Home Control Europe NV ("Home Control Europe")	Belgium 26 December 2013	EUR7,000,000	100 (indirect)	100 (indirect)	Technical sales support and sale of remote control products
Premium Home Control Solutions LLC ("Premium Home Control Solutions")	United States of America 12 March 2015	US\$1,000	100 (indirect)	100 (indirect)	Trading and distribution of home electronic products

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards;
- IAS Standards; and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

### 2.2 Changes in accounting policies and disclosures

The Group has adopted all the revised standards and amendments that are relevant to the Group's operations and mandatory for annual period beginning 1 January 2025. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results or financial position.

**The Group has adopted the following amendments for the first time for annual reporting period beginning 1 January 2025:**

Amendments to IAS 21 and FRS 1      *Lack of Exchangeability*

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.3 New and amended standards not yet adopted

The following standards and amendments were in issue but not yet effective and have not been early adopted by the Group:

Amendments to IFRS 9 and IFRS 7 <sup>(1)</sup>	<i>Classification and Measurement of Financial Instruments</i>
Annual improvements <sup>(1)</sup>	<i>Annual improvements to IFRS Accounting Standards – Volume 11</i>
Amendments to IFRS 9 & IFRS 7 <sup>(1)</sup>	<i>Contract Referencing Nature-dependent Electricity</i>
IFRS 18 <sup>(2)</sup>	<i>Presentation and Disclosure in Financial Statements</i>
IFRS 19 <sup>(2)</sup>	<i>Subsidiaries without Public Accountability: Disclosures</i>
Amendments to IAS 28 and IFRS 10 <sup>(3)</sup>	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

<sup>(1)</sup> Effective for accounting periods beginning on or after 1 January 2026

<sup>(2)</sup> Effective for accounting periods beginning on or after 1 January 2027

<sup>(3)</sup> Effective date to be determined

The Group is assessing the full impact of these new and amended standards. According to the preliminary assessment made by the Group, these standards and amendments are not expected to have a material impact on the Group's financial performance and position, except for IFRS 18, which may mainly impact the presentation of the Group's consolidated statement of comprehensive income and the Group is still in the process of assessing the impact. Aside from this, there are no other standards that are not yet effective and that are expected to have a material impact on the Group's financial performance and position.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the financial year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) the contractual arrangement with the other vote holders of the investee;
- b) rights arising from other contractual arrangements; and
- c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.5 Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

### 2.6 Foreign currency translation

The consolidated financial statements are presented in United States Dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.6 Foreign currency translation (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the certain overseas subsidiaries are currencies other than the United States Dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Group at the exchange rates ruling at the end of the reporting period and their statement of comprehensive income are translated into United States Dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity until the disposal of the respective foreign operation entity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into United States Dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into United States Dollars at the weighted average exchange rates for the year.

### 2.7 Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.7 Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Furniture and fittings	3 years
Specific tools	2 years
Machinery and equipment	5 years

The depreciation policy of the right-of-use assets presented with property, plant and equipment is disclosed in Note 2.15(a).

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents specific tools under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprise the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### 2.8 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.8 Intangible assets (other than goodwill) (Continued)

#### Patents

Patents are amortised on a straight-line basis over their estimated useful lives of 4 years.

#### Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 3 to 5 years.

#### Customer relationships

Customer relationships are amortised on a straight-line basis over their estimated useful lives of 4 years.

#### Research and development costs

All research costs are charged to the consolidated statement of comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 2.9 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.9 Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### 2.10 Investments and other financial assets

#### Initial recognition and measurement

##### (i) *Classification*

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss;
- those to be measured subsequently at fair value through other comprehensive income;  
and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

##### (ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.10 Investments and other financial assets (Continued)

#### Initial recognition and measurement (Continued)

##### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

##### *Debt instruments*

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

When the Group revises its estimates of receipts, it will adjust the gross carrying amount of the financial asset to reflect the revised estimated contractual cash flows. The Group recalculates the gross carrying amount of the financial asset as the present value of the estimated future contractual cash flows that are discounted at the original effective interest rate of the instrument (or credit adjusted effective rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate calculated. The adjustment is recognised in profit or loss as a modification gain or loss.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.10 Investments and other financial assets (Continued)

#### Initial recognition and measurement (Continued)

##### (iii) *Measurement (Continued)*

###### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### (iv) *Impairment*

The Group has four types of financial assets subject to IFRS 9's expected credit loss model

- trade receivables;
- other receivables;
- financial asset at amortised cost; and
- cash and cash equivalents

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses practical expedients when estimating life time expected credit losses on trade receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding. For details, please refer to Note 3(b).

For impairment methodology of other receivables and financial asset at amortised cost, please refer to Note 3(b).

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The Group has not entered into arrangements that meet the criteria for offsetting.

### 2.12 Inventories

Inventories comprising raw materials, work-in-progress, and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of overheads, and is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.13 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

### 2.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after each of the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **(a) Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### **(b) Lease liabilities**

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.15 Leases (Continued)

#### Group as a lessee (Continued)

##### (b) *Lease liabilities (Continued)*

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

##### (c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

##### (d) *Extension and termination option*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (and not terminated).

### 2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.16 Borrowings (Continued)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.17 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.17 Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.17 Income tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### 2.18 Provisions

#### General

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Restructuring and severance costs

Restructuring and severance provisions are recognised when the Group has a constructive obligation which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and the number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

#### Reinstatement costs

Provision for reinstatement costs arose from the estimated cost of dismantling, removing and restoring the leasehold properties at the end of their lease terms.

The reinstatement costs which are provided at the present value of estimated costs required to settle the obligation are recognised as part of the cost of that particular asset. The estimated future costs of reinstatement is reviewed annually and adjusted as appropriate.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.19 Employee benefits

#### **Pension scheme**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group is required to contribute up to 17% of the employees' salaries to the CPF Scheme, the contributions are charged to profit or loss as they become payable in accordance with the rules of the CPF Fund.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme, a defined contribution pension scheme, operated by the local municipal government (the "PRC Pension Scheme"). The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the PRC Pension Scheme.

During the financial year ended 31 December 2025 and 2024, the Group did not have any defined benefit plan.

#### **Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

#### **Long service awards**

The Group's net obligation in respect of long service awards is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is determined by taking into consideration the degree of likelihood that the employee will complete the required number of service years to be entitled to the long service award.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.19 Employee benefits (Continued)

#### Share-based payments

The Company operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.19 Employee benefits (Continued)

#### Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### 2.20 Revenue recognition

#### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. For contracts where the Group has received advance payments from the customer but has yet to deliver the goods, the Group recognises a contract liability – “Advance payment from customer”. This liability is recognised as revenue when control of the goods is transferred to its customer.

For a contract where the period between the payment by the customer and the transfer of the promised goods is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 2.20 Revenue recognition (Continued)

#### Revenue from contracts with customers (Continued)

##### (a) *Sale of goods*

The Group is involved in the sale of remote control products. Revenue is recognised when control of the goods is transferred to its customer, being when the goods are delivered to the customer and the Group has evidence that all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the contractual transaction price.

##### (b) *Royalty income*

Royalty income arising from the use of patents is accounted on a periodic basis based on quantities produced by the use of the patents.

#### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

### 2.21 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.22 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the Group of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

If the interest rates increase/decrease by 50 basis points (2024: 50 basis points) with all other variables being held constant, profit (2024: profit) before income tax of the Group would have been lower/higher by US\$nil (2024: lower/higher by US\$31,000) as a result of higher/lower interest expense on these borrowings.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

#### **Trade receivable**

##### ***Measurement of expected credit loss on individual basis***

Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2025, the balance of loss allowance in respect of these individually assessed receivables was US\$121,000 (2024: US\$121,000).

##### ***Measurement of expected credit loss on collective basis***

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for the risk of default, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the trade receivables.

The expected credit loss rates are determined based on historical credit losses and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

Impairment losses on trade receivables are presented as net impairment losses in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (b) Credit risk (Continued)

#### **Other receivable**

Other receivables as at 31 December 2025 and 2024 were mainly rental and other deposits and other receivables. The directors of the Company consider the probability of default upon initial recognition of the asset and whether there has been significant increase in credit risk on an ongoing basis during the year. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. A significant increase in credit risk is presumed if a debtor is more than 180 days past due in making a contractual payment/repayable demanded.

The directors of the Company believe that there was no material credit risk inherent in the Group's outstanding balance of other receivables.

#### **Financial asset at amortised cost**

Financial asset at amortised cost as at 31 December 2025 and 2024 represent the investments in treasury management principal protected products issued by a licensed financial institution. The directors of the Company applies the general approach and records either 12-month expected credit loss or lifetime expected loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

As at 31 December 2025, the loss allowance balance for expected credit loss assessed by the directors of the Company on financial asset at amortised cost was US\$3,437,000 (2024: US\$3,437,000) and impairment loss of US\$nil (2024: 3,229,000) was recognised in consolidated statement of comprehensive income during the year.

Further details in respect of the Group's exposure to credit risk arising from financial asset at amortised cost, trade receivables and other receivables are disclosed in Notes 17, 19 and 20 to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (b) Credit risk (Continued)

#### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the region profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2025	2025	2024	2024
	US\$'000	% of total	US\$'000	% of total
By region:				
North America	4,318	18.2	6,393	27.1
Europe	10,110	42.5	9,493	40.3
Asia	7,767	32.7	4,384	18.6
Latin America	1,569	6.6	3,305	14.0
	<b>23,764</b>	<b>100.0</b>	23,575	100%

For the year ended 31 December 2025, approximately 52% (2024: 33%) of the Group's total revenue was derived from the top 3 (2024: 2) customers. At the end of the reporting period, approximately 47% (2024: 25%) of the trade receivable balance of the Group was due from the top 3 (2024: 2) customers.

### (c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans to meet its working capital requirements.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the year, based on the contractual undiscounted payments, is as follows:

#### Analysis of financial instruments by remaining contractual maturities

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted repayment, is as follows:

	2025			Total US\$'000
	Less than 1 year US\$'000	1 to 2 years US\$'000	2 to 5 years US\$'000	
Trade payables	24,023	–	–	24,023
Financial liabilities included in other payables and accruals	4,577	–	–	4,577
Interest-bearing bank loans	–	–	–	–
Lease liabilities	283	102	59	444
<b>Total undiscounted financial liabilities</b>	<b>28,883</b>	<b>102</b>	<b>59</b>	<b>29,044</b>

	2024			Total US\$'000
	Less than 1 year US\$'000	1 to 2 years US\$'000	2 to 5 years US\$'000	
Trade payables	28,656	–	–	28,656
Financial liabilities included in other payables and accruals	4,297	–	–	4,297
Interest-bearing bank loans	6,519	–	–	6,519
Lease liabilities	331	85	16	432
<b>Total undiscounted financial liabilities</b>	<b>39,803</b>	<b>85</b>	<b>16</b>	<b>39,904</b>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (d) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. During the year, approximately 5.8% (2024: 4.4%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 60.9% (2024: 57.3%) of purchases were denominated in currencies other than the functional currencies of the units, respectively. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The Group also holds cash and short-term deposits denominated in foreign currencies for working capital purposes.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (d) Foreign currency risk (Continued)

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the S\$, GBP, EUR and RMB exchange rates against US\$ for the monetary assets and liabilities, with all other variables held constant, of the Group's profit before tax.

	Increase/ (decrease) in US rate %	2025 Increase/ (decrease) in profit before tax US\$'000	2024 Increase/ (decrease) in profit before tax US\$'000
If the US\$ weakens against the S\$	10	11	85
If the US\$ strengthens against the S\$	10	(11)	(85)
If the US\$ weakens against the HKD	10	1,385	10
If the US\$ strengthens against the HKD	10	(1,385)	(10)
If the US\$ weakens against the GBP	10	319	312
If the US\$ strengthens against the GBP	10	(319)	(312)
If the US\$ weakens against the EUR	10	3	(1)
If the US\$ strengthens against the EUR	10	(3)	1
If the US\$ weakens against the RMB	10	(1,491)	(1,517)
If the US\$ strengthens against the RMB	10	1,491	1,517

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### Judgments

In the process of applying the Group's accounting policies, the Group has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgments is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

#### Estimation uncertainty

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

#### Provision for expected credit loss of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At each reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 19 to the consolidated financial statements.

The net carrying amount of trade receivables at 31 December 2025 was US\$23,764,000 (2024: US\$23,575,000).

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

### Estimation uncertainty (Continued)

#### Write-down of inventories to net realisable value

When necessary, allowance is provided for obsolete and slow-moving inventories to adjust the carrying value of inventories to the lower of cost and net realisable value. Management has estimated the allowance for obsolete and slow-moving inventories based on review of inventories in certain circumstances at the end of the reporting period. The assessment of the provision requires management's judgment and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amount of inventories and the write-down charge/write-back of inventories in the period in which such estimate has been changed. At 31 December 2025, the Group's inventories amounted to US\$10,054,000 (2024: US\$13,371,000).

#### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was US\$8,877,000 (2024: US\$8,877,000). Further details of the Group's impairment assessment are disclosed in Note 16 to the consolidated financial statements.

## 5. OPERATING SEGMENT INFORMATION

An operating segment, in part, is a component of an enterprise whose operating results are regularly reviewed by management to make decisions about resources to be allocated to the segment and assess its performance. Operating segments may be aggregated only to a limited extent. Management reviews the financial information about revenues and operating results as a whole for purpose of making operating decisions and assessing financial performance. Accordingly, the Group only has a single operating and reportable segment. Therefore, no further information about the operating segment is presented other than the entity-wide disclosures.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 5. OPERATING SEGMENT INFORMATION (Continued)

### Entity-wide Disclosures

#### Geographical information

##### (a) Revenue from external customers

	2025 US\$'000	2024 US\$'000
North America	26,425	42,515
Europe	50,385	43,317
Asia	26,805	13,986
Latin America	5,784	7,634
	<b>109,399</b>	107,452

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

##### (b) Non-current assets

	2025 US\$'000	2024 US\$'000
North America	11	20
Europe	240	82
Asia	1,523	2,177
	<b>1,774</b>	2,279

The non-current asset information above is based on the locations of the non-current assets and excludes deferred tax assets and goodwill.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 5. OPERATING SEGMENT INFORMATION (Continued)

### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year ended 2025 and 2024 is set out below:

	2025 US\$'000	2024 US\$'000
Customer 1	19,716	12,732
Customer 2	18,718	N/A*
Customer 3	18,300	22,867

\* The corresponding revenue from the customer was not disclosed as the revenue did not individually account for 10% or more of the Group's revenue for the year.

## 6. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2025 US\$'000	2024 US\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods		
– Control Solutions	85,588	91,788
– Healthcare Solutions	23,443	15,430
Royalty income	368	234
	109,399	107,452

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 6. REVENUE AND OTHER INCOME (Continued)

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

	2025 US\$'000	2024 US\$'000
<b>Timing of revenue recognition</b>		
At a point in time		
– Sale of goods	109,031	107,218
Over time		
– Royalty income	368	234
Total revenue from contracts with customers	109,399	107,452

#### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

##### **Sale of goods**

The performance obligation is satisfied upon passage of control of goods.

Payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 6. REVENUE AND OTHER INCOME (Continued)

### Revenue from contracts with customers (Continued)

#### (ii) Performance obligations (Continued)

##### **Royalty income**

The performance obligation is satisfied over time based on each licensed product manufactured by the licensee.

An analysis of other income is as follows:

	2025 US\$'000	2024 US\$'000
Government grants (Note (a))	138	182
Bank interest income	56	44
Others	41	27
	<b>235</b>	<b>253</b>

- (a) The government grants for the year ended 31 December 2025 and 31 December 2024 include subsidies received from the local governments to support the business operation of the entities.

There are no unfulfilled conditions or contingencies relating to these grants.

## 7. FINANCE COSTS – NET

	2025 US\$'000	2024 US\$'000
Modification gain on other receivables (Note (a))	–	(199)
Interests on:		
– Bank borrowings	113	955
– Lease liabilities	35	32
Amortisation of loan arrangement fee, facility and legal fee	79	65
	<b>227</b>	<b>853</b>

- (a) During the financial year ended 31 December 2024, the Group settled customer loan receivables from a non-related party and a modification gain was recognised.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 8. PROFIT BEFORE TAX

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

	2025 US\$'000	2024 US\$'000
Cost of inventories sold		
– Cost of components	66,561	63,708
– Provision for inventories (Note 18)	210	367
– Outsourcing costs	8,253	10,351
Depreciation of property, plant and equipment (Note 14)	1,075	1,371
Depreciation of right-of-use assets (Note 14)	409	493
Amortisation of other intangible assets (Note 15)	13	11
Loss on disposal of property, plant and equipment & right-of-use assets	10	82
Distribution costs	1,408	1,220
Provision for/(Reversal of provision for) impairment loss		
– Trade receivables	16	(77)
– Finance asset at amortised cost (Note 17)	–	3,229
Foreign exchange differences, net	(11)	74
Auditor's remuneration		
– Audit service	429	397
– Non-audit services	56	63
Legal fee	2,527	934
Expenses for short term leases (Note 25)	22	16
Expenses for low value leases (Note 25)	2	2
Employee benefits expense		
– Wage and salaries	10,423	10,239
– Pension scheme contributions (Note (i))	2,011	1,837
– Long service award	73	99
– Other employee benefits	249	256
Restructuring and severance costs	386	1,102

(i) During the financial year ended 31 December 2025 and 2024, there was no forfeiture of contributions under the CPF Scheme (by employers behalf of employees who leave the scheme prior to vesting fully in such contributions). There were no forfeited contributions available for the Group to reduce its existing level of contributions to the CPF Scheme as at 31 December 2025 and 31 December 2024, respectively.

(ii) During the year ended 31 December 2025, the Group incurred expenses for the purpose of research and development of US\$4,215,000 (2024: US\$5,688,000), which comprised employee benefits expenses of US\$3,803,000 (2024: US\$4,002,000).

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 9. DIRECTOR'S AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 US\$'000	2024 US\$'000
Fees	69	107
Other emoluments:		
Salaries, allowance, and benefits in kind	224	301
Performance related bonuses	333	159
Pension scheme contributions	12	18
Termination benefits	–	250
Total other emoluments	569	728
Total directors' and chief executive's remuneration	638	835

Certain executive directors of the Company are entitled to bonus payments which are determined based on achievement of certain key performance indexes such as the Group's revenue and ordinary earnings (excluding any extraordinary or one-time income or gain) before interest, tax, depreciation and amortisation ("EBITDA").

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 US\$'000	2024 US\$'000
Min YE	6	–
Yi Chung CHEN	6	–
Bernard Eng Chuan LIM	–	–
Werner Peter VAN ECK	19	19
Shou Kang CHEN	19	19
Keet Yee LAI	19	19
	69	57

There were no other emoluments payable to the independent non-executive directors during the financial years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 9. DIRECTOR'S AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

### (b) An executive director, non-executive directors and the chief executive

2025	Salaries, Allowances and benefits		Performance related	Pension scheme	Termination	Total
	Fees	in kind	bonuses	contributions	benefits	remuneration
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Executive director and the chief executive officer:</b>						
Kwok Hoong SIU	-	224	269	12	-	505
Haofang YANG	-	-	64	-	-	64
<b>Non-executive director:</b>						
Ying MA	-	-	-	-	-	-
	-	224	333	12	-	569

2024	Salaries, Allowances and benefits in		Performance related	Pension scheme	Termination	Total
	Fees	kind	bonuses	contributions	benefits	remuneration
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Executive director and the chief executive officer:</b>						
Alain PERROT <sup>(1)</sup>	50	79	82	7	250	468
Kwok Hoong SIU <sup>(2)</sup>	-	222	77	11	-	310
<b>Non-executive directors:</b>						
Wei ZHOU	-	-	-	-	-	-
Ewing FANG	-	-	-	-	-	-
Alain PERROT <sup>(1)</sup>	-	-	-	-	-	-
	50	301	159	18	250	778

<sup>(1)</sup> Resigned to non-executive director with effect from 1 April 2024.

<sup>(2)</sup> Appointed with effect from 1 April 2024.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 9. DIRECTOR'S AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

### (b) An executive director, non-executive directors and the chief executive (Continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration for the financial years ended 31 December 2025 and 2024, and there were no emoluments paid by the Group to any of the directors or the chief executive officer as inducement to join or upon joining the Group, for the financial year ended 31 December 2025 and 2024.

No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities, subsisted at the end of the year or at any time for the financial years ended 31 December 2025 and 2024.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the financial years ended 31 December 2025 and 2024.

The Company did not provide any consideration to third parties for making available directors' services for the financial years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2024: two) directors (being the then or existing chief executive of the Company), details of whose remuneration are set out in Note 9 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 US\$'000	2024 US\$'000
Salaries, allowances and benefits in kind	626	503
Performance related bonuses	391	194
Pension scheme contributions	159	119
	<b>1,176</b>	816

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	2	1
HK\$2,000,001 to HK\$2,500,000	–	–
HK\$2,500,001 to HK\$3,000,000	–	–
HK\$3,000,001 to HK\$3,500,000	–	1
HK\$3,500,001 to HK\$4,000,000	–	–
HK\$4,000,001 to HK\$4,500,000	1	–
	<b>4</b>	3

No remuneration was paid by the Group to any of the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the financial years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company and HCIL Master Option Limited are not subject to any income tax in this jurisdiction.

The Singapore statutory income tax for Home Control Singapore Pte. Ltd. has been provided at the rate of 17% (2024: 17%) on the estimated assessable profits arising in Singapore during the reporting period.

The federal tax for Premium Home Control Solutions, LLC has been provided at the rate of 21% (2024: 21%), and the state tax has been provided at the rate of 4% (2024: 4%) on the estimated assessable profits arising in the United States of America during the year.

The Mainland China income tax has been provided at the applicable income tax rate of 25% (2024: 25%) on the estimated assessable profits of the PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law. Home Control Solutions (Suzhou) Limited was qualified as a Small and Low-profit Enterprise and was subject to a preferential income tax rate of 5% (2024: 5%) until 31 December 2027. HCS (Suzhou) Limited qualified as a Technologically-advanced Service Enterprise and was subject to a preferential income tax rate of 15% (2024: 15%) for the year until 31 December 2026.

The corporate income tax rate for Home Control Europe NV has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits arising in Belgium during the reporting period.

The corporate income tax rate for Omni Remotes do Brasil Ltda has been provided at the rate of 24% (2024: 24%) on the estimated assessable profits arising in Brazil during the year.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 11. INCOME TAX (Continued)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are as follows:

	2025 US\$'000	2024 US\$'000
Current tax – Singapore		
Charge for the year	1,949	1,424
Over-provision in prior years	(743)	(59)
Current tax – United States of America		
Charge for the year	47	123
Current tax – China and elsewhere		
Charge for the year	204	187
Under provision in prior years	16	–
	<b>1,473</b>	1,675
Deferred tax ( <i>Note 28</i> )		
(Credit)/Charge for the year	(48)	31
Over provision in prior years	(27)	–
	<b>(75)</b>	31
Total tax charge for the year	<b>1,398</b>	1,706

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable statutory rates to the effective tax rates, are as follows:

	2025		2024	
	US\$'000	%	US\$'000	%
Profit before tax	8,502	–	4,214	–
Tax at domestic rates applicable to profits in the countries where the Group operates	2,106	24.8	1,616	38.4
Effect of partial tax exemption and enhanced deductions	(33)	(0.4)	(34)	(0.8)
Income not subjected to tax	(15)	(0.2)	(11)	(0.3)
Expenses not deductible for tax	93	1.1	163	3.9
Over provision in respect of prior years	(754)	(8.9)	(59)	(1.4)
Others	1	–	31	0.7
Income tax expense at the Group's effective rate	1,398	16.4	1,706	40.5

## 12. DIVIDENDS

The proposed final dividend of US\$0.66 cents (2024: US\$0.25 cents) per ordinary share amounting to a total of US\$3,552,000 (2024: US\$1,254,000) for the year ended 31 December 2025 is subject to the approval of the shareholders at the forthcoming annual general meeting ("AGM"). These consolidated financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation out of distributable reserves in the financial year ending 31 December 2026.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 13. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares.

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

	2025 US\$'000	2024 US\$'000
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	7,104	2,508

	Number of shares	
	2025 US\$'000	2024 US\$'000
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	509,531,337	506,650,000

Diluted earnings per share for financial years 2025 and 2024 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment					Right-of-use assets					
	Furniture and fittings	Machinery			Construction- in-progress	Sub-total	Re- instatement	Office premises	Motor vehicles	Sub-total	Total
		Specific tools	and equipment								
<b>Cost</b>											
At 31 December 2024 and 1 January 2025	-	16,083	5,284	328	21,695	93	2,437	258	2,788	24,483	
Additions	-	45	172	393	610	-	72	149	221	831	
Modification of lease	-	-	-	-	-	-	89	-	89	89	
Transfer	-	376	16	(392)	-	-	-	-	-	-	
Disposals	-	(741)	(450)	-	(1,191)	(72)	-	(138)	(210)	(1,401)	
Exchange differences	-	46	70	-	116	6	92	28	126	242	
At 31 December 2025	-	15,809	5,092	329	21,230	27	2,690	297	3,014	24,244	
<b>Accumulated depreciation</b>											
At 31 December 2024 and 1 January 2025	-	15,060	4,874	-	19,934	85	2,029	180	2,294	22,228	
Charge for the year	-	838	237	-	1,075	4	331	74	409	1,484	
Disposals	-	(741)	(445)	-	(1,186)	(72)	-	(133)	(205)	(1,391)	
Exchange differences	-	40	62	-	102	6	81	16	103	205	
At 31 December 2025	-	15,197	4,728	-	19,925	23	2,441	137	2,601	22,526	

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

	Property, plant and equipment					Right-of-use assets					
	Furniture and fittings	Specific tools	Machinery		Construction- in-progress	Sub-total	Re- instatement	Office premises	Motor vehicles	Sub-total	Total
			and equipment								
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<b>Cost</b>											
At 31 December 2023 and											
1 January 2024	132	15,156	5,995	470	21,753	345	3,518	272	4,135	25,888	
Additions	-	203	83	662	948	-	222	-	222	1,170	
Modification of lease	-	-	-	-	-	-	274	-	274	274	
Transfer	-	804	-	(804)	-	-	-	-	-	-	
Disposals	(132)	(49)	(746)	-	(927)	(216)	(1,522)	-	(1,738)	(2,665)	
Exchange differences	-	(31)	(48)	-	(79)	(36)	(55)	(14)	(105)	(184)	
At 31 December 2024	-	16,083	5,284	328	21,695	93	2,437	258	2,788	24,483	
<b>Accumulated depreciation</b>											
At 31 December 2023 and											
1 January 2024	132	14,367	4,993	-	19,492	317	3,188	116	3,621	23,113	
Charge for the year	-	770	601	-	1,371	20	400	73	493	1,864	
Disposals	(132)	(49)	(676)	-	(857)	(216)	(1,510)	-	(1,726)	(2,583)	
Exchange differences	-	(28)	(44)	-	(72)	(36)	(49)	(9)	(94)	(166)	
At 31 December 2024	-	15,060	4,874	-	19,934	85	2,029	180	2,294	22,228	
<b>Net carrying amount</b>											
At 31 December 2024	-	1,023	410	328	1,761	8	408	78	494	2,255	
At 31 December 2025	-	612	364	329	1,305	4	249	160	413	1,718	

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

The depreciation of property, plant and equipment and right-of-use assets for the year amounting to US\$1,484,000 (2024: US\$1,864,000) is included as US\$1,001,000 (2024: US\$1,311,000) in "Cost of sales", US\$88,000 (2024: US\$83,000) in "Selling and distribution expenses", and US\$395,000 (2024: US\$470,000) in "Administrative expenses" in the consolidated statement of comprehensive income.

During the financial years ended 31 December 2025 and 2024, the Group entered into certain long-term lease contracts for office premises and motor vehicles. Leases of office premises generally have lease terms between 1 and 2 years, while motor vehicles generally have lease terms between 1 and 4 years.

Extension options in lease have been included in the lease liability, where assessed to be appropriate. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

During the financial years ended 31 December 2025 and 2024, the Group leased certain machine equipment under short-term lease arrangements (i.e. within 12 months) and office equipment which is individually of low value. The Group has elected not to recognise right-of-use assets on these short-term lease contracts. There were no restrictions or covenants imposed and no sale and leaseback transactions.

Further details of lease expenses recognised in profit or loss during the year are disclosed in Notes 8 and 25 to the consolidated financial statements.

The total cash outflow for leases is disclosed in Note 33(b) to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 15. OTHER INTANGIBLE ASSETS

	Patents <i>US\$'000</i>	Software <i>US\$'000</i>	Customer Relationships <i>US\$'000</i>	Total <i>US\$'000</i>
<b>Cost</b>				
At 1 January 2024	2,860	995	358	4,213
Additions	–	24	–	24
Exchange differences	–	(6)	–	(6)
At 31 December 2024 and 1 January 2025	2,860	1,013	358	4,231
Additions	–	43	–	43
Exchange differences	–	9	–	9
At 31 December 2025	2,860	1,065	358	4,283
<b>Accumulated amortisation and impairment</b>				
At 1 January 2024	2,860	983	358	4,201
Amortisation for the year	–	11	–	11
Exchange differences	–	(5)	–	(5)
At 31 December 2024 and 1 January 2025	2,860	989	358	4,207
Amortisation for the year	–	13	–	13
Exchange differences	–	7	–	7
At 31 December 2025	2,860	1,009	358	4,227
<b>Net carrying amount</b>				
At 31 December 2024	–	24	–	24
At 31 December 2025	–	56	–	56

The amortisation of other intangible assets for the year amounting to US\$13,000 (2024: US\$11,000) is included in "Administrative expenses" in the consolidated statement of comprehensive income.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 16. GOODWILL

	2025 US\$'000	2024 US\$'000
Cost and carrying amount	8,877	8,877

### Impairment assessment of goodwill

Goodwill acquired through business combination is allocated to the remote control products cash-generating unit for impairment testing.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculation. Impairment test of goodwill is performed at period end at 31 December, or whenever there is impairment indicator, by management.

These calculations use cash flow projections based on financial budgets approved by management covering a five-year period with the following key assumptions:

	2025 %	2024 %
Revenue growth rate	2.0	2.0
Terminal growth rate	2.0	2.0
Earnings before interest and tax ("EBIT") margin rate	6.0	5.0
Pre-tax discount rate	13.9	14.4

The recoverable amount was estimated to be higher than the carrying value of the remote control products cash-generating unit. Accordingly, no impairment of goodwill is recognised for the financial years ended 31 December 2025 and 2024.

Assumptions were used in the value in use calculations of the remote control products cash-generating unit for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment assessment of goodwill:

### Revenue growth rate

The forecasted revenue growth rate used for the five-year period projection is based on the historical information and management's expectation of the future market.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 16. GOODWILL (Continued)

### Terminal growth rate

The forecasted terminal growth rate is based on management expectations and do not exceed the long-term average growth rate for the industry relevant to the cash-generating unit.

### EBIT margin rate

The basis used to determine the value assigned to the EBIT margins is based on historical experience of the Group.

### Pre-tax discount rate

The discount rate represents the current market assessment of the risks specific to the cash-generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its cash-generating unit, and is derived from its weighted average cost of capital ("WACC").

WACC is calculated based on publicly available market data, is pre-tax, and has been adjusted for specific risks relating to the geographical location of the Group's customers.

The values assigned to the key assumptions on market development of remote control products and the pre-tax discount rate are consistent with external information sources.

### Impact of possible changes in key assumptions

If management's estimated revenue growth rate at 31 December 2025 was lowered by 1.0% (2024: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US\$459,000 (2024: US\$439,000) and the Group would not have recognised any impairment charge.

If management's estimated terminal growth rate at 31 December 2025 was lowered by 1.0% (2024: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US\$3,455,000 (2024: US\$3,029,000) and the Group would not have recognised any impairment charge.

If management's estimated EBIT margin rate at 31 December 2025 was lowered by 1.0% (2024: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US\$8,972,000 (2024: US\$8,382,000) and the Group would not have recognised any impairment charge.

If management's estimated pre-tax discount rate at 31 December 2025 was raised by 1.0% (2024: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US\$3,833,000 (2024: US\$3,400,000) and the Group would not have recognised any impairment charge.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 17. FINANCIAL ASSETS AT AMORTISED COST

	2025 US\$'000	2024 US\$'000
Investment, at cost	3,437	3,437
Provision for impairment loss	(3,437)	(3,437)
	–	–

The above investments were treasury management principal protected product issued by a licensed financial institution. The investment is denominated in Hong Kong Dollar. The investment matures initially 1.5 years from inception, and will be rolled over automatically unless the parties mutually agree to terminate it. The financial institution has the right to redeem the investments prior to its termination, and the discretion to determine the interest to be compensated.

These investment is classified as financial assets at amortised cost as their contractual cash flows are solely payments of principal and interest.

The financial institution did not agree to the Company's redemption of the investment during the financial year ended 31 December 2024 and it was rolled over in May 2024. The Group assess that there is a significant increase in credit risk since the inception of the investment as there is uncertainty as to when and whether the investment will be redeemed in full.

As at 31 December 2024 and 2025, the estimated lifetime expected credit loss is assessed to be the carrying value of the investment due to the lack of adequate information to estimate the cash flows that the Company expects to receive from the financial institution.

## 18. INVENTORIES

	2025 US\$'000	2024 US\$'000
Raw materials – components	4,040	4,709
Work-in-progress	520	1,041
Finished goods	6,188	8,196
	10,748	13,946
Less: Provision for inventories	(694)	(575)
	10,054	13,371

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 19. TRADE RECEIVABLES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade receivables	<b>23,991</b>	23,790
Impairment	<b>(227)</b>	(215)
	<b>23,764</b>	23,575
Denominated in:		
United States Dollar	<b>19,171</b>	19,879
Euro	<b>1,505</b>	1,173
Renminbi	<b>1,423</b>	875
British Pound Sterling	<b>1,665</b>	1,648
	<b>23,764</b>	23,575

Trade receivables are non-interest bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoice amounts on initial recognition.

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:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
0–90 days	<b>20,178</b>	20,240
91 to 180 days	<b>2,816</b>	2,130
More than 180 days	<b>770</b>	1,205
	<b>23,764</b>	23,575

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 19. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	Specific- Credit Impaired <i>US\$'000</i>	General – ECL <i>US\$'000</i>	Total <i>US\$'000</i>
At 1 January 2024	241	92	333
Impairment losses	(120)	2	(118)
At 31 December 2024	<b>121</b>	<b>94</b>	<b>215</b>
Impairment losses	–	<b>12</b>	<b>12</b>
At 31 December 2025	<b>121</b>	<b>106</b>	<b>227</b>

In addition, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the historical loss pattern of the Group. The calculation reflects 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.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 19. TRADE RECEIVABLES (Continued)

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

	Expected credit loss rate %	Gross carrying amount US\$'000	Expected credit losses US\$'000
<b>At 31 December 2025</b>			
Not past due	0.04	16,949	7
Past due 1–90 days	0.35	6,023	21
Past due more than 90 days	8.69	898	78
		<b>23,870</b>	<b>106</b>
<b>At 31 December 2024</b>			
Not past due	0.03	20,239	6
Past due 1–90 days	0.30	2,130	6
Past due more than 90 days	6.30	1,300	82
		23,669	94

## 20. PREPAYMENT AND OTHER RECEIVABLES

	2025 US\$'000	2024 US\$'000
<b>Current</b>		
Other receivables	250	210
Value-added tax recoverable	97	102
Prepayments	565	434
	<b>912</b>	<b>746</b>

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 21. CASH AND CASH EQUIVALENTS

	2025 US\$'000	2024 US\$'000
Cash at bank and in hand	32,735	19,443
Total cash and cash equivalents	32,735	19,443
Denominated in:		
United States Dollar	13,634	11,204
Euro	1,911	898
Singapore Dollar	434	888
Renminbi ("RMB")	1,122	4,670
British Pound Sterling	1,522	1,475
HK\$	13,852	148
Brazilian Real	249	141
Others	11	19
Total	32,735	19,443

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Cash and cash equivalents of approximately US\$964,000 (2024: US\$2,009,000) and US\$59,000 (2024: US\$22,000) as at 31 December 2025 of the Group were denominated in RMB and US\$ respectively and deposited with banks in the PRC. These bank balances are subject to the rules and regulations of foreign exchange control promulgated by the State Administration of Foreign Exchange.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 22. TRADE PAYABLES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Trade payables	<b>24,023</b>	28,656
Denominated in:		
United States Dollar	<b>7,371</b>	9,311
Renminbi	<b>16,284</b>	19,064
Others	<b>368</b>	281
	<b>24,023</b>	28,656

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

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
0–90 days	<b>16,172</b>	21,158
91 to 180 days	<b>7,818</b>	7,446
More than 180 days	<b>33</b>	52
	<b>24,023</b>	28,656

The trade payables are non-interest-bearing and are normally settled on 90-day credit terms.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 23. OTHER PAYABLES AND ACCRUALS

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Current		
Withholding tax payables	70	61
Payroll and welfare accruals	2,221	1,967
Other accrued operating expenses	2,740	2,726
Other payables	1,837	1,571
	<b>6,868</b>	6,325
Non-current		
Payroll and welfare accruals	59	59
	<b>59</b>	59

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 24. INTEREST-BEARING BANK LOANS

	31 December 2024		US\$'000
	Contractual interest rate (%)	Maturity	
<b>Current</b>			
Loan from bank – secured*	SOFR + 2.5%	Mar & Sep 2025	6,171
			6,171

\* As at 31 December 2024, the bank loan was secured by a floating charge over bank accounts of Home Control Singapore Pte. Ltd. amounting to approximately US\$12,000,000. The bank loan of the Group has been presented net of the amortisation of loan facility and legal fee amounting to US\$79,000.

All interest-bearing bank loans are denominated in USD.

If SOFR is less than zero, SOFR shall be deemed to be zero.

	2025 US\$'000	2024 US\$'000
Analysed into:		
Loan from bank repayable:		
Within one year or on demand	–	6,171
In the second year	–	–
In the third to fifth year, inclusive	–	–
	–	6,171

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 25. LEASE LIABILITIES

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
<b>Current</b>		
Lease liabilities	266	333
<b>Non-current</b>		
Lease liabilities	155	165
	<b>421</b>	498

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
Carrying amount at 1 January	498	507
New leases	216	233
Lease modification	91	262
Accretion of interest recognised during the year	35	32
Payments	(419)	(536)
Carrying amount at 31 December	<b>421</b>	498

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 25. LEASE LIABILITIES (Continued)

The amounts recognised in profit or loss in relation to leases are as follows:

	2025 US\$'000	2024 US\$'000
Interest on lease liabilities	35	32
Depreciation charge of right-of-use assets	409	493
Expense relating to short-term leases (included in cost of sales and administrative expenses)	22	16
Expense relating to leases of low-value assets (included in administrative expenses)	2	2
<b>Total amount recognised in profit or loss</b>	<b>468</b>	<b>543</b>

### Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The leases for certain office premises and motor vehicles contain extension options, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 26. PROVISIONS

Movements in each class of provision during the year are set out below:

	Long service awards <i>US\$'000</i>	Reinstatement <i>US\$'000</i>	Total <i>US\$'000</i>
<b>At 1 January 2024</b>	213	106	319
Provision made/(reversal) of over provision	51	(106)	(55)
Amounts utilised	(39)	–	(39)
<b>At 31 December 2024 and 1 January 2025</b>	<b>225</b>	<b>–</b>	<b>225</b>
Provision made	80	–	80
Amounts utilised	(31)	–	(31)
<b>At 31 December 2025</b>	<b>274</b>	<b>–</b>	<b>274</b>

  

	Long service awards <i>US\$'000</i>	Reinstatement <i>US\$'000</i>	Total <i>US\$'000</i>
<b>At 31 December 2025</b>			
Portion classified as current liabilities	7	–	7
Non-current portion	267	–	267
	<b>274</b>	<b>–</b>	<b>274</b>
<b>At 31 December 2024</b>			
Portion classified as current liabilities	42	–	42
Non-current portion	183	–	183
	225	–	225

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 26. PROVISIONS (Continued)

### Long service awards

The provision is mainly attributable to the provision for the long service awards in Home Control Singapore and Omni Brazil, which is awarded to employees whose service periods reach 5, 10 and 15 years. Further details are disclosed in Note 27.

### Reinstatement costs

Provision for reinstatement costs pertains to the costs expected to be incurred to reinstate the office to its original state as stated in the lease agreement.

## 27. LONG SERVICE AWARDS

The cost of long service awards as well as the present value of the long service awards obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining obligations for the long service awards are shown below:

	2025 US\$'000	2024 US\$'000
Discount rate	1.89	2.77
Expected rate of future salary increases	3.60	3.70

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 27. LONG SERVICE AWARDS (Continued)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the long service awards as at the end of the reporting year, assuming that all other assumptions were held constant:

	Increase/ (decrease) in basis points <i>US\$'000</i>	2025 Effect on present value of benefit obligation <i>US\$'000</i>	Effect on service cost <i>US\$'000</i>
Discount rate	25 (25)	(3) 3	—* —*
Future salary increases	50 (50)	6 (6)	1 (1)

	Increase/ (decrease) in basis points <i>US\$'000</i>	2024 Effect on present value of benefit obligation <i>US\$'000</i>	Effect on service cost <i>US\$'000</i>
Discount rate	25 (25)	(3) 3	—* —*
Future salary increases	50 (50)	5 (5)	1 —*

\* Denotes less than US\$1,000.

The average duration of the long service awards at 31 December 2025 is 8.6 years (2024: 7.8 years).

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

	Assets		Liabilities	
	2025 US\$'000	2024 US\$'000	2025 US\$'000	2024 US\$'000
Gross deferred tax assets/(liabilities)	302	231	(130)	(134)
Set-off deferred tax	(9)	(31)	9	31
Net deferred tax assets/(liabilities)	293	200	(121)	(103)

### Deferred tax assets

	Depreciation US\$'000	Provisions US\$'000	Tax losses US\$'000	Total US\$'000
At 1 January 2024	–	136	212	348
Deferred tax credited/(charged) to profit or loss during the year	–	25	(142)	(117)
At 31 December 2024	–	161	70	231
Deferred tax credited/(charged) to profit or loss during the year	88	53	(70)	71
At 31 December 2025	88	214	–	302

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 28. DEFERRED TAX (Continued)

### Deferred tax liabilities

	Withholding taxes	Depreciation	Unrealised intercompany loss	Total
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2024	74	131	15	220
Deferred tax (credited)/charged to profit or loss during the year	–	(113)	27	(86)
At 31 December 2024	<b>74</b>	<b>18</b>	<b>42</b>	<b>134</b>
Deferred tax (credited)/charged to profit or loss during the year	–	<b>(18)</b>	<b>14</b>	<b>(4)</b>
At 31 December 2025	<b>74</b>	–	<b>56</b>	<b>130</b>

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. Deferred taxes of US\$20,000 have been recognised for withholding taxes that would be payable on the unremitted earnings as at 31 December 2025 (2024: US\$20,000).

Under US domestic tax laws, all persons making US-source payments to foreign persons (“withholding agents”) are required to report and withhold 30% of the gross US-source payments, such as dividends, interest, and royalties. Under the bilateral income tax treaties between the US and Belgium, dividends paid by a subsidiary to a foreign parent corporation that has the required percentage of stock ownership are subject to a reduced rate of 5%. Since Premium Home Control Solutions is wholly owned by Home Control Europe, the stock ownership requirement is met. Hence, the applicable withholding tax rate is at 5%. In respect of US subsidiary, deferred taxes of US\$54,000 have been recognised for withholding taxes as at 31 December 2025 (2024: US\$54,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 29. SHARE CAPITAL

Authorised:

	Number of Ordinary shares of US\$0.01 each	Nominal value of ordinary shares <i>US\$'000</i>
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	5,000,000,000	50,000

Issued and fully paid:

	Number of shares in issue	Nominal value of ordinary shares <i>US\$'000</i>	Share Premium <i>US\$'000</i>
At 1 January 2024 and 31 December 2024	506,650,000	5,067	8,013
Allotment and issue of new shares pursuant to the placing agreement dated 18 November 2025, details of which are disclosed in the announcement of the Company dated 18 November 2025	<b>28,424,000</b>	<b>284</b>	<b>13,370</b>
At 31 December 2025	<b>535,074,000</b>	<b>5,351</b>	<b>21,383</b>

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 30. SHARE-BASED PAYMENTS

### Share award scheme

Under the share award scheme on 5 October 2020 (the "Granting Date"), a total of 5,016,337 shares in the Company was granted to 10 selected employees at zero consideration in order to recognise the contributions of such selected employees in driving the continuous business operation and development of the Group.

The 50% of the total award shares shall be vested on the second anniversary of the Granting Date; and 50% of the total award shares shall be vested on the third anniversary of the Granting Date. There is no other performance target required except the eligible participant remains as an employee of the Group during the vesting period.

The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted. The fair value of the shares granted is measured at the grant date at the market value of the shares and is determined using forward pricing model, adjusted for the exclusion of expected dividends to be received in the vesting period.

No share awards were vested and issued and no share award expense was charged to consolidated statement of comprehensive income during the year ended 31 December 2024 and 31 December 2025.

All share awards had fully vested and issued as of 31 December 2024.

## 31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

### Capital reserve

The capital reserve includes contributions made by the immediate holding company to pay for costs incurred during the Company's listing process.

### Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 31. RESERVES (Continued)

### Statutory reserve fund

In accordance with the relevant PRC regulations applicable to wholly-foreign-owned companies, certain entities within the Group are required to allocate a certain portion (not less than 10%), as determined by their boards of directors, of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "SRF") until such reserve reaches 50% of the registered capital.

The SRF is non-distributable other than in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as issued capital. However, the balance of the SRF must be maintained at a minimum of 25% of the capital after such usages.

## 32. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

### (a) Compensation of key management personnel of the Group:

	2025 US\$'000	2024 US\$'000
Short-term employee benefits	1,220	1,214
Directors' fees	–	50
Pension scheme contributions	146	138
Total compensation paid to key management personnel	1,366	1,402

Further details of directors' and the chief executive's remuneration are included in Note 9.

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Changes in liabilities arising from financing activities

	Bank loans	Lease liabilities	Total
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At 1 January 2024	15,005	507	15,512
Changes from financing cash flows			
– Repayment of interest-bearing bank loans	(8,900)	–	(8,900)
– Principal portion of lease payments	–	(504)	(504)
– Interest portion of lease liabilities	–	(32)	(32)
– Interest paid	(955)	–	(955)
Additions	–	233	233
Lease modifications	–	262	262
Accretion of interests	955	32	987
Amortisation of loan arrangement fee and facility and legal fee	66	–	66
At 31 December 2024	6,171	498	6,669

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### (a) Changes in liabilities arising from financing activities (Continued)

	Bank loans <i>US\$'000</i>	Lease liabilities <i>US\$'000</i>	Total <i>US\$'000</i>
At 31 December 2024	6,171	498	6,669
Changes from financing cash flows			
– Repayment of interest-bearing bank loans	(6,250)	–	(6,250)
– Principal portion of lease payments	–	(384)	(384)
– Interest portion of lease liabilities	–	(35)	(35)
– Interest paid	(113)	–	(113)
Additions	–	216	216
Lease modifications	–	91	91
Accretion of interests	113	35	148
Amortisation of loan arrangement fee and facility and legal fee	79	–	79
At 31 December 2025	–	421	421

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

### (b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 US\$'000	2024 US\$'000
Within operating activities	24	18
Within financing activities	419	536
	<b>443</b>	554

## 34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	Financial assets at amortised cost	
	2025 US\$'000	2024 US\$'000
<b>Financial assets</b>		
Trade receivables	23,764	23,575
Other receivables	215	210
Cash and cash equivalents	32,735	19,443
Financial asset at amortised cost	–	–
	<b>56,714</b>	43,228

	Financial liabilities at amortised cost	
	2025 US\$'000	2024 US\$'000
<b>Financial liabilities</b>		
Trade payables	24,023	28,656
Financial liabilities included in other payables and accruals	4,577	4,297
Interest-bearing bank loans	–	6,171
Lease liabilities	421	498
	<b>29,021</b>	39,622

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has determined that the carrying amounts of cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments and other receivables, financial asset at amortised cost, trade payables, financial liabilities included in other payables and accruals, current portion of interest-bearing bank loans, reasonably approximate to their fair values because these financial instruments are mostly short term in nature. As at 31 December 2024, the carrying amounts of long-term interest-bearing bank loans, which incur interest at floating interest rates, also approximate to their fair values as the interest rate is periodically adjusted to the market rate.

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.

## 36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the financial year.

The Group's capital includes equity attributable to owners of the Company. The Group monitors capital using a gearing ratio, which is debt divided by the adjusted total assets. Debt includes interest-bearing bank loans and lease liabilities. Adjusted total assets exclude goodwill. The gearing ratios as at 31 December 2025 and 2024 are as follows:

	Financial liabilities at amortised cost	
	2025 US\$'000	2024 US\$'000
Total interest-bearing bank loans (Note 24)	–	6,171
Total lease liabilities (Note 25)	421	498
	421	6,669
Total assets excluding goodwill	69,532	59,614
	0.61%	11.19%

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

<i>Note</i>	2025 <i>US\$'000</i>	2024 <i>US\$'000</i>
<b>Non-current assets</b>		
Investments in subsidiaries	15,027	32,391
Total non-current assets	15,027	32,391
<b>Current assets</b>		
Prepayments	172	124
Cash and cash equivalents	545	166
Financial asset at amortised cost	–	–
Total current assets	717	290
<b>Current liabilities</b>		
Other payables and accruals	999	28,816
Total current liabilities	999	28,816
Net current liabilities	(282)	(28,526)
Total assets less current liabilities	14,745	3,865
<b>Net assets</b>	<b>14,745</b>	<b>3,865</b>
<b>Equity</b>		
Share capital	5,351	5,068
Reserves	9,394	(1,203)
<b>Total equity</b>	<b>14,745</b>	<b>3,865</b>

**Haofang YANG**  
Director

**Kwok Hoong SIU**  
Director

# Notes to the Consolidated Financial Statements

For the financial year ended 31 December 2025

## 37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

A summary of the Company's reserves is as follows:

	Share premium	Accumulated loss	Capital reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2024</b>	8,013	(7,599)	3,620	4,034
Total comprehensive loss for the year	–	(5,236)	–	(5,236)
<b>At 31 December 2024</b>	<b>8,013</b>	<b>(12,835)</b>	<b>3,620</b>	<b>(1,202)</b>
Total comprehensive loss for the year	–	<b>(1,509)</b>	–	<b>(1,509)</b>
Share placement	<b>13,370</b>	–	–	<b>13,370</b>
Dividend paid	<b>(1,265)</b>	–	–	<b>(1,265)</b>
<b>At 31 December 2025</b>	<b>20,118</b>	<b>(14,344)</b>	<b>3,620</b>	<b>9,394</b>

The capital reserve represents contribution by a related party for payments of listing expenses incurred by the Group.

## 38. AGGREGATE AMOUNT OF AUTHORISED LOANS

No outstanding loans have been made under the authority of sections 280 and 281 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) during the year ended 31 December 2025 (2024: Nil).