IDT INTERNATIONAL LIMITED
萬 威 國 際 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 167)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK$219.8 million for 1H2026 (1H2025: approximately HK$47.4 million).
- Gross profit was approximately HK$26.5 million for 1H2026 (1H2025: approximately HK$5.9 million).
- Total operating expenses amounted to approximately HK$20.9 million for 1H2026 (1H2025: approximately HK$7.9 million).
- Loss for the period amounted to approximately HK$56.8 million for 1H2026 (1H2025: profit of approximately HK$62.6 million).

* *For identification purposes only*

The board of directors (the "**Board**") of IDT International Limited (the "**Company**") hereby announces the unaudited condensed results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**1H2026**") together with the comparative figures for the corresponding period for the six months ended 30 June 2025 ("**1H2025**").

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Revenue	4	**219,845**	47,388
Cost of services and goods sold		**(193,352)**	(41,524)
Gross profit		**26,493**	5,864
Other (loss) income and gains, net	5	**(57,579)**	64,812
Distribution and selling expenses		**(1,851)**	(1,205)
General administrative and other operating expenses		**(19,031)**	(6,655)
Finance costs		**(1,420)**	(773)
(Loss) profit before taxation	6	**(53,388)**	62,043
Income tax (expenses) credit	7	**(3,400)**	570
(Loss) profit for the period		**(56,788)**	62,613
Other comprehensive income:			
Items that may be/have been reclassified subsequently to profit or loss:			
Release of translation reserve upon deconsolidation of subsidiaries	13	**98,137**	–
Exchange differences arising on translation of foreign operations		**2,445**	3,983
Total comprehensive income for the period		**43,794**	66,596

	Note	Six months ended 30 June **2026** **(Unaudited)** ***HK$'000***	 2025 (Unaudited) *HK$'000*
(Loss) profit for the period attributable to:			
– Owners of the Company		**(56,788)**	62,613
– Non-controlling interests		**–**	–
		(56,788)	62,613
Total comprehensive income for the period attributable to:			
– Owners of the Company		**43,794**	66,596
– Non-controlling interests		**–**	–
		43,794	66,596
(Loss) earnings per share			
Basic and diluted (HK cents)	8	**(11.67)**	22.33

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	**At 30 June 2026 (Unaudited) *HK$'000***	At 31 December 2025 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment	9	**162,974**	456
Right-of-use assets	10	**7,822**	468
Intangible assets	9	**2,528**	–
Deposits for acquisition of property, plant and equipment	9	**1,976**	84,869
Deferred tax assets		**2,177**	–
		177,477	85,793
Current assets			
Inventories		**18,709**	51
Trade and other receivables	11	**136,333**	30,305
Bank balances and cash		**289,188**	58,211
		444,230	88,567
Current liabilities			
Trade and other payables	12	**103,448**	53,623
Contract liabilities		**7,363**	7,828
Borrowings		**–**	1,310
Lease liabilities		**2,792**	480
Amount due to a related company	14	**180,922**	–
Tax payables		**8,330**	2,809
		302,855	66,050
Net current assets		**141,375**	22,517
Total assets less current liabilities		**318,852**	108,310

	Note	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Non-current liabilities			
Lease liabilities		**4,829**	–
Unlisted secured bonds		**29,855**	28,524
		34,684	28,524
NET ASSETS		**284,168**	79,786
Capital and reserves			
Share capital	15	**311,991**	259,999
Reserves		**(27,823)**	(180,306)
Equity attributable to owners of the Company		**284,168**	79,693
Non-controlling interests		**–**	93
TOTAL EQUITY		**284,168**	79,786

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company								
	Share capital *HK$'000*	**Share premium** *HK$'000*	**Contributed surplus** *HK$'000*	**Other reserve** *HK$'000*	**Translation reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 January 2026 (Audited)	**259,999**	**–**	**399,042**	**31,616**	**(97,810)**	**(513,154)**	**79,693**	**93**	**79,786**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(56,788)**	**(56,788)**	**–**	**(56,788)**
Other comprehensive income:									
Items that may be/have been reclassified subsequently to profit or loss:									
Release of translation reserve upon deconsolidation of subsidiaries *(Note 13)*	**–**	**–**	**–**	**–**	**98,137**	**–**	**98,137**	**–**	**98,137**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**2,445**	**–**	**2,445**	**–**	**2,445**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**100,582**	**(56,788)**	**43,794**	**–**	**43,794**
Transactions with owners:									
Deconsolidation of subsidiaries *(Note 13)*	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(93)**	**(93)**
Transfer to accumulated losses upon deconsolidation of subsidiaries *(Note 13)*	**–**	**–**	**–**	**(32,466)**	**–**	**32,466**	**–**	**–**	**–**
Issue of new shares upon placing *(Note 15)*	**51,992**	**108,689**	**–**	**–**	**–**	**–**	**160,681**	**–**	**160,681**
Total transactions with owners	**51,992**	**108,689**	**–**	**(32,466)**	**–**	**32,466**	**160,681**	**(93)**	**160,588**
At 30 June 2026 (Unaudited)	**311,991**	**108,689**	**399,042**	**(850)**	**2,772**	**(537,476)**	**284,168**	**–**	**284,168**
At 1 January 2025 (Audited)	259,999	165,043	–	32,466	(103,956)	(582,255)	(228,703)	93	(228,610)
Profit for the period	–	–	–	–	–	62,613	62,613	–	62,613
Other comprehensive income:									
Item that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of foreign operations	–	–	–	–	3,983	–	3,983	–	3,983
Total comprehensive income for the period	–	–	–	–	3,983	62,613	66,596	–	66,596
Transactions with owners:									
Capital Reduction *(Note 15)*	(233,999)	–	233,999	–	–	–	–	–	–
Cancellation of share premium *(Note 15)*	–	(165,043)	165,043	–	–	–	–	–	–
Issue of new shares upon placing *(Note 15)*	233,999	–	–	(850)	–	–	233,149	–	233,149
Total transactions with owners	–	(165,043)	399,042	(850)	–	–	233,149	–	233,149
At 30 June 2025 (Unaudited)	259,999	–	399,042	31,616	(99,973)	(519,642)	71,042	93	71,135

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
OPERATING ACTIVITIES			
Cash used in operating activities		**(27,243)**	(6,256)
Bank interest income		**1,708**	23
Income tax paid		**–**	(8,542)
Net cash used in operating activities		**(25,535)**	(14,775)
INVESTING ACTIVITIES			
Cash outflow arising from deconsolidation of subsidiaries		**(211)**	–
Deposits paid for property, plant and equipment purchases		**(1,976)**	(16,122)
Purchase of property, plant and equipment		**(82,692)**	–
Purchase of intangible assets		**(2,758)**	–
Net cash used in investing activities		**(87,637)**	(16,122)
FINANCING ACTIVITIES			
Advance from a related company		**180,922**	–
Repayment of loan from the creditor		**–**	(100,000)
Repayment of lease liabilities		**(1,333)**	(704)
Net proceeds from issuance of new shares upon placing	15	**160,681**	233,149
Net cash from financing activities		**340,270**	132,445
Net increase in cash and cash equivalents		**227,098**	101,548
Cash and cash equivalents at beginning of the period		**58,211**	2,182
Effect of foreign exchange rate changes, net		**3,879**	–
Cash and cash equivalents at end of the period, represented by bank balances and cash		**289,188**	103,730

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

IDT International Limited (the "**Company**", together with its subsidiaries are collectively referred to as the "**Group**") was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). In the opinion of the directors of the Company, the immediate holding company of the Company is Horizon Heights Limited, a company incorporated in the Cayman Islands. The ultimate holding company of the Company is AI Victory Ltd., a company incorporated in the British Virgin Islands, which is wholly-owned by Ms. Shen Jingwei, the controlling shareholder of the Company. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Unit 612, 6/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

The Group principally engages in the design, development, manufacture, sales and marketing of multi-category electronic products spanning consumer electronics, batteries and communications, as well as the provision of artificial intelligence ("**AI**") infrastructure computing power services.

2. BASIS OF PRESENTATION

Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 (the "**Interim Financial Statements**") have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**"), including compliance with the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The preparation of the Interim Financial Statements in conformity with HKAS 34 requires the management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period-to-date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since 31 December 2025, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards, HKASs and Interpretations as issued by the HKICPA. They shall be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025 (the "**2025 Annual Financial Statements**").

The Interim Financial Statements have been prepared on the historical cost basis which are presented in Hong Kong dollars ("**HK$**") which is the same as the functional currency of the Company. All amounts have been rounded to the nearest thousand, except when otherwise indicated.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in the preparation of the 2025 Annual Financial Statements except for the adoption of the new/revised HKFRS Accounting Standards further described in the "Adoption of new/revised HKFRS Accounting Standards" section which are relevant to the Group and effective for the Group's financial period beginning on 1 January 2026.

3. ADOPTION OF NEW/REVISED HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied, for the first time, certain new/revised HKFRS Accounting Standards issued by HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2026 for the preparation of the Interim Financial Statements. The adoption of the new/revised HKFRS Accounting Standards has no significant impact on the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the Group has not early adopted new/revised HKFRS Accounting Standards that have been issued but are not yet effective.

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 may affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

Except for the above, the management of the Group does not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future reporting periods will have any material impact on the financial performance and financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group principally engages in the design, development, manufacture, sales and marketing of multi-category electronic products spanning consumer electronics, batteries and communications, as well as the provision of AI infrastructure computing power services.

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors and chief executive officer, being the chief operating decision-maker ("**CODM**"), in order to allocate resources to the segments and to assess their performance. As the Group has only one reportable operating segment, no further analysis of segment information is presented.

Performance obligations for contracts with customers

Sales of goods (revenue recognised at a point in time)

The Group sells various electronic products to corporate customers. Revenue represents the amounts received and receivable for goods sold by the Group to outside corporate customers, net of sales related taxes. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term for customers is normally up to 90 days upon delivery or payment in advance is normally required.

During the six months ended 30 June 2026, all performance obligations for sales of goods are for period of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations as at the end of the reporting period is not disclosed.

Provision of services (revenue recognised over time)

The Group provides integrated AI infrastructure computing power services based on its self-owned communication equipment. Revenue from provision of AI infrastructure services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

(a) Disaggregation of revenue from contracts with customers within HKFRS 15 by the timing of revenue is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Timing of revenue recognition		
Over time – provision of services	**5,457**	–
At a point in time – sales of goods	**214,388**	47,388
	219,845	47,388

In view of the Group's CODM, there is no seasonality of operations.

(b) Geographical information

Information about the Group's revenue from external customers is presented based on the location of customers and is detailed below:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Chinese Mainland (place of domicile)	**173,814**	4,997
Asia Pacific (excluding Chinese Mainland)	**23,706**	5,672
The United States of America	**6,097**	12,209
Europe	**16,228**	24,510
	219,845	47,388

The following table sets out information about the geographical location of the Group's non-current assets other than intangible assets, deposits for acquisition of property, plant and equipment and deferred tax assets, which is based on the physical location of the assets:

	At	At
	30 June	31 December
	2026	2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Hong Kong	**118**	303
Chinese Mainland	**170,678**	621
	170,796	924

(c) Information about major customers

Revenue from a customer contributing over 10% of the total revenue of the Group is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Customer A	**N/A***	15,694
Customer B	**–**	8,817
Customer C	**N/A***	6,358
Customer D	**N/A***	4,912
Customer E	**83,021**	–
Customer F	**26,475**	–

* The corresponding revenue contributed less than 10% of the total revenue of the Group for the six months ended 30 June 2026.

5. OTHER (LOSS) INCOME AND GAINS, NET

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**1,708**	23
Exchange gains, net	**496**	–
Loss on deconsolidation of subsidiaries *(Note 13)*	**(59,787)**	–
Gain on waiver of loan from the creditor	**–**	48,300
Gain on settlement of the loan from the creditor by issuance of the bonds	**–**	16,365
Others	**4**	124
	(57,579)	64,812

6. (LOSS) PROFIT BEFORE TAXATION

(Loss) Profit before taxation has been arrived at after charging the following:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Staff costs:		
Directors' emoluments	**727**	540
Salaries, allowances and other benefits in kind for other staff	**4,579**	1,408
Retirement benefits scheme contributions for other staff	**818**	270
Total staff costs	**6,124**	2,218
Other items:		
Cost of inventories	**189,242**	41,524
Legal and professional fees	**3,802**	2,540
Depreciation of property, plant and equipment (included in "General administrative and other operating expenses" and "cost of services and goods sold", as appropriate)	**5,043**	13
Depreciation of right-of-use assets (included in "General administrative and other operating expenses")	**1,120**	678
Amortisation of intangible assets (included in "General administrative and other operating expenses")	**230**	–
Rental expenses recognised under short-term lease (included in "General administrative and other operating expenses")	**976**	10

7. INCOME TAX EXPENSES (CREDIT)

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
Chinese Mainland Enterprise Income Tax expenses (credit)	**3,400**	(570)

Entities incorporated in Hong Kong are subject to Hong Kong Profits Tax. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the Chinese Mainland on Enterprise Income Tax ("**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate for the Chinese Mainland subsidiaries is 25% for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company for both periods is based on the following data:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
(Loss) profit for the period attributable to owners of the Company for the purposes of basic (loss) earnings per share *(HK$'000)*	**(56,788)**	62,613

	2026	2025
	(Unaudited)	(Unaudited)
Number of ordinary shares:		
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share *(Note (a) & (b))*	**486,472,358**	280,349,162

Note:

(a) The weighted average number of ordinary shares for the six months ended 30 June 2025 for the purpose of calculating basic earnings per share was on the basis as if the Capital Reorganisation (as defined and disclosed in Note 15) had been effective on 1 January 2025.

(b) The weighted average number of ordinary shares for the six months ended 30 June 2026 is derived after taking into account the effect of 2026 Placing (as defined and disclosed in Note 15).

Diluted (loss) earnings per share is the same as basic (loss) earnings per share as there was no potential ordinary share in issue for both periods.

9. PROPERTY, PLANT AND EQUIPMENT AND DEPOSITS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately HK$167,561,000 (six months ended 30 June 2025: approximately HK$510,000), including utilisation of the deposits paid of approximately HK$84,869,000 (six months ended 30 June 2025: Nil). During the six months ended 30 June 2026, no property, plant and equipment were disposed (six months ended 30 June 2025: Nil).

During the six months ended 30 June 2026, deposits of approximately HK$1,976,000 were paid to suppliers for the acquisition of machinery and equipment (six months ended 30 June 2025: HK$16,122,000).

During the six months ended 30 June 2026, the Group has additions to intangible assets of approximately HK$2,758,000 (six months ended 30 June 2025: Nil).

10. RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group has additions to right-of-use assets of approximately HK$8,474,000 (six months ended 30 June 2025: Nil).

The Group leases various office premises for its daily operations with an initial lease term of two to three years.

During the six months ended 30 June 2026, the total cash outflow for leases was approximately HK$2,398,000 (six months ended 30 June 2025: approximately HK$714,000).

At 30 June 2026, the weighted average effective interest rate for the lease liabilities of the Group was approximately 3.8% (at 31 December 2025: approximately 3.7%) per annum.

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
Trade receivables	**50,028**	42,622
Less: Loss allowance for expected credit losses ("**ECL**")	**(2,014)**	(28,882)
	48,014	13,740
Other receivables		
Advances to suppliers	**40,765**	15,232
Value added tax recoverables	**23,750**	–
Other receivables	**23,804**	1,333
	88,319	16,565
Total trade and other receivables	**136,333**	30,305

The following is the ageing analysis of trade receivables (net of allowances for ECL) presented based on the invoice date which approximates the respective revenue recognition date at the end of the reporting period:

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
0 to 30 days	**36,630**	7,241
31 to 60 days	**–**	384
61 to 90 days	**332**	5,320
Over 90 days	**11,052**	795
Total trade receivables	**48,014**	13,740

The Group grants credit periods up to 90 days to its customers upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Before accepting any new customers, the management of the Group will define credit limits based on the credit quality of the potential customers. Credit limits to customers are reviewed annually. In determining the recoverability of the trade receivables, the Group considers any subsequent change in the credit quality of the trade receivables from the date when the credit was initially granted.

12. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	At 30 June 2026 (Unaudited) *HK$'000*	At 31 December 2025 (Audited) *HK$'000*
0 to 30 days	**16,153**	6,024
31 to 60 days	**38**	–
61 to 90 days	**812**	–
Over 90 days	**14,425**	17,598
Trade payables	**31,428**	23,622
Other payables	**72,020**	30,001
Total trade and other payables	**103,448**	53,623

The trade payables are interest-free with normal credit terms up to 90 days.

13. DECONSOLIDATION OF SUBSIDIARIES

As disclosed in the circular of the Company dated 24 January 2025, the Group previously announced its plan to implement a corporate restructuring of carving out certain non-core subsidiaries (collectively referred to as the "**Non-core Subsidiaries**") with net liabilities to further strengthen the Group's overall financial standing, the process of which may include (but not limited to) winding up these entities. To implement such corporate restructuring, the Group appointed liquidator/administrator and voluntarily commenced liquidation arrangements in respect of the Non-core Subsidiaries in late June 2026 (the "**Organisation Restructuring**"). Following the Organisation Restructuring, the Group was considered to have lost control over the Non-core Subsidiaries and no longer retained any continuing involvement in their operations or affairs. Accordingly, the financial statements of the Non-core Subsidiaries have ceased to be consolidated in the consolidated financial statements of the Company.

At the date of deconsolidation, the Non-core Subsidiaries were in a net liabilities position of approximately HK$38,257,000. A loss on deconsolidation of subsidiaries of approximately HK$59,787,000 has been recognised in "Other (loss) income and gains, net". The loss on deconsolidation arose from (i) the derecognition of the net liabilities of the Non-core Subsidiaries; (ii) the release of the cumulative translation reserve of approximately HK$98,137,000 previously recognised in equity to profit or loss; and (iii) the derecognition of non-controlling interests amounting to approximately HK$93,000. In addition, upon the deconsolidation, other reserve of approximately HK$32,466,000 was transferred to accumulated losses.

The Non-core Subsidiaries were inactive and did not contribute any revenue or profit or loss to the Group during the period from 1 January 2026 to the date of deconsolidation.

14. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company, which is controlled by the controlling shareholder of the Company, is unsecured, interest-free and repayable on demand.

15. SHARE CAPITAL

	Note	**Number of shares**	**Amount** *HK$'000*
Authorised:			
At 1 January 2025 (Audited), ordinary shares of HK$0.10 each		20,000,000,000	2,000,000
Share consolidation	(a)(i)	(19,666,666,667)	–
Increase in authorised share capital	(a)(ii)	16,666,667	100,000
Share sub-division	(a)(iv)	3,150,000,000	–
At 31 December 2025 (Audited), 1 January 2026 (Audited) and 30 June 2026 (Unaudited), ordinary shares of HK$0.60 each		3,500,000,000	2,100,000
Ordinary shares of US$0.10 each			
At 1 January 2025 (Audited), 31 December 2025 (Audited) and 30 June 2026 (Unaudited)		10,000	8
Issued and fully paid:			
At 1 January 2025 (Audited), ordinary shares of HK$0.10 each		2,599,993,088	259,999
Share consolidation	(a)(i)	(2,556,659,870)	–
Capital Reduction	(a)(iii)	–	(233,999)
Issue of new shares upon placing	(b)	389,998,963	233,999
At 31 December 2025 (Audited) and 1 January 2026 (Audited), ordinary shares of HK$0.60 each		433,332,181	259,999
Issue of new shares upon placing	(c)	86,652,000	51,992
At 30 June 2026 (Unaudited), ordinary shares of HK$0.60 each		519,984,181	311,991

Notes:

(a) The Company executed the capital reorganisation (the "**Capital Reorganisation**") which became effective on 20 February 2025 and included the following elements:

(i) every 60 issued and unissued existing shares were consolidated into 1 consolidated share;

(ii) the increase in authorised share capital of the Company from HK$2,000,000,000 and US$1,000 divided into 333,333,333 consolidated shares of HK$6 each and 10,000 ordinary shares of par value of US$0.1 each to HK$2,100,000,000 and US$1,000 divided into 350,000,000 consolidated shares of HK$6 each and 10,000 ordinary shares of par value of US$0.1 each by the creation of an additional 16,666,667 unissued consolidated shares;

(iii) the issued share capital of the Company was reduced by cancelling paid up capital of the Company to the extent of HK$5.4 on each of the then consolidated shares such that the par value of each issued consolidated share was reduced from HK$6.0 to HK$0.6 (the "**Capital Reduction**"). The credit arising from the Capital Reduction of approximately HK$233,999,378 was credited to the contributed surplus account to be applied by the directors of the Company in any manner as permitted under applicable laws and the bye-laws of the Company;

(iv) each of the authorised but unissued consolidated share of par value of HK$6.00 be sub-divided into 10 new ordinary shares of par value of HK$0.6 each (the "**New Shares**");

(v) the entire amount of HK$165,043,000 standing to the credit of the share premium account was cancelled to nil with the credit arising therefrom to be transferred to the contributed surplus account to be applied by the directors of the Company in any manner as permitted under applicable laws and the bye-laws of the Company; and

(vi) immediately after the Capital Reorganisation became effective, the issued share capital of the Company is HK$25,999,930.80 divided into 43,333,218 New Shares.

(b) The Company entered into a subscription agreement with Tiger Energy Technology Company Limited (the "**Subscriber**") on 15 October 2024 (as supplemented and amended by a supplemental agreement dated 16 January 2025). The Subscriber agreed to subscribe for 389,998,963 New Shares at a subscription price of HK$0.60 per share, totalling HK$233,999,377.80 (the "**Subscription**"). The Subscriber is a company incorporated in Hong Kong with limited liability and is an investment holding company. The Subscriber is directly legally and beneficially owned as to 50% by Mr. Tiger Charles Chen, a former executive director, and 50% by Mr. Wong Tung Yuen.

The Company successfully completed the Subscription on 13 March 2025. All conditions precedent to the Subscription were fulfilled, resulting in the issuance of 312,432,503 New Shares to the Subscriber, representing approximately 72.1% of the enlarged issued share capital of the Company. An additional 77,566,460 New Shares were issued to independent placees (the "**Placing**"), representing approximately 17.9% of the total share capital of the Company, upon completion of the Placing by the Subscriber on 13 March 2025. The gross proceeds from the Subscription (including the Placing) amounted to approximately HK$234.0 million, with net proceeds after deducting related expenses of around HK$233.1 million. Immediately after the completion of the Subscription (including the Placing), the Company has a total of 433,332,181 issued shares.

(c) The Company and the placing agent entered into a placing agreement on 13 February 2026 (the "**Placing Agreement**"), pursuant to which the placing agent has conditionally agreed to act as the placing agent of the Company for the purpose of procuring not less than six placees on a best effort basis to subscribe for up to 86,652,000 new ordinary shares (the "**Placing Shares**") at a price of HK$1.88 per Placing Shares (the "**2026 Placing**"). The Placing Shares rank pari passu in all respect with the then existing shares of the Company. The average closing price of share was approximately HK$2.142 per share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement. The Placing Shares were allotted and issued pursuant to the general mandate granted to the directors of the Company pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 23 May 2025 and is not subject to further shareholders' approval. The completion of the 2026 Placing took place on 12 March 2026. All the Placing Shares were fully placed and the gross proceeds from the 2026 Placing were approximately HK$162.9 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, professional fees and other related expenses of approximately HK$2.2 million) incidental to the 2026 Placing, were approximately HK$160.7 million. Details of the 2026 Placing of new shares were set out in the Company's announcement dated 13 February 2026.

16. FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities at amortised cost are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management of the Group considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the Interim Financial Statements approximates to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

The Group principally engages in the design, development, manufacture, sales and marketing of multi-category electronic products spanning consumer electronics, batteries and communications, as well as the provision of AI infrastructure computing power services. Capitalising on the market opportunities arising from the rapid development of AI, the Group, on the one hand, empowers its consumer electronics and battery products with AI to continuously enhance product competitiveness and consolidate market share; on the other hand, the Group deeply expands the sales of communication products and, building on its self-held communication equipment, constructs AI infrastructure, thereby naturally extending its businesses from equipment supply to computing power services and gradually perfecting its industrial chain layout.

Since the resumption of its business in December 2023, the Group has remained focused on conducting business in the electronic products sector. In March 2025, the State Council proposed in the Government Work Report to continue advancing the "AI+" initiative, pursuant to which the Group established its development approach of integrating AI with its existing businesses. In the second half of 2025, the Group formally implemented its established AI strategy. Relying on the construction of proprietary AI infrastructure, the Group established the strategic direction of integrating AI into its existing products and services, and rapidly commenced the procurement of related equipment. In the first half of 2026, to capture the surging industry demand driven by the rapid development of AI, the Group accelerated the implementation of its established strategy. Through placing and financing and the introduction of professional talents, the Group laid the capital and team foundations for business expansion. During the same period, in accordance with the utilisation plan of the proceeds raised, the Group completed the construction and commissioning of its AI infrastructure and commenced the provision of AI infrastructure computing power services to external parties, thereby achieving a natural extension of its existing businesses and recording related revenue.

BUSINESS REVIEW

In the first half of 2026, the demand along the industrial chain arising from the development of AI models rapidly propagated upstream and downstream to multi-category electronic products. Since the resumption of its business in 2023, the Group has been deeply engaged in the electronic products sector and has proactively positioned itself to seize the opportunities brought by AI. In the first half of 2026, the Group accelerated the execution of its established strategy around the electronic products sector and made orderly extensions into AI infrastructure computing power services, achieving positive results.

In terms of consumer electronics, the continuous breakthroughs in the capabilities of AI models have become an important driving force for the current development of consumer electronics, prompting consumer electronics enterprises to build AI infrastructure to empower their products. The improvement in model capabilities and the reduction in inference costs enable terminal products to embed AI on a large scale, making them the most natural interaction portals for AI. The value proposition of consumer electronics has shifted from hardware configuration to intelligent experience, with "AI+" consumer electronics becoming a definitive upgrade direction. AI capabilities have become the primary criterion for consumers to evaluate terminal products, and the ability to efficiently utilise AI infrastructure for iteration and upgrades of AI is key to enhancing product competitiveness.

In terms of battery products, as the supporting equipment for consumer terminals and AI infrastructure, the demand for battery equipment has grown in tandem with the expansion of the two sectors above. In terms of consumer terminals, the large-scale embedding of AI functions has increased the power consumption requirements of terminal products, creating new market opportunities for batteries compatible with AI products. In terms of AI infrastructure, the expansion of construction scale has driven up demand for power supply equipment, and the demand for battery equipment, which serves as a component supporting power supply stability, has also seen concurrent growth.

In terms of communication products, the intelligence of consumer terminals and the popularisation of AI applications have simultaneously driven rapid growth in the scale of model training and inference, with global Token call volumes surging significantly. Token demand has been transmitted upstream along the industrial chain, accelerating the construction of AI infrastructure. Major cloud service providers have continued to increase their investments in AI infrastructure, providing vast opportunities for the sales of communication products and AI infrastructure computing power services.

Leveraging its years of accumulated experience in the electronic products industry and its forward-looking strategic deployment, the Group accelerated the advancement of various initiatives in the first half of 2026, translating strategic execution into actual business progress and further perfecting its industrial chain layout around the electronic products business. In terms of products and services, the Group empowered multi-category electronic products with the development of AI to enhance the added value and market competitiveness of products. In terms of capital and personnel support, the Group raised funds through placing and introduced professional talents to provide capital and team safeguards for business expansion and the deployment of AI infrastructure, and completed the construction and commissioning of AI infrastructure during the period. In terms of industrial extension, building upon its sales of communication equipment and leveraging its self-held communication equipment, the Group extended its businesses into AI infrastructure computing power services, perfecting the industrial chain construction from equipment supply to computing power services and recording related revenue.

FINANCIAL RESULTS

The Group's total revenue for 1H2026 was approximately HK$219.8 million (1H2025: approximately HK$47.4 million). Gross profit of 1H2026 was approximately HK$26.5 million (1H2025: approximately HK$5.9 million).

The increase in revenue was primarily attributable to the continued implementation of the Group's business development strategy in previous years together with the rising demand driven by the development of downstream industries, which drove an increase in the sales volume of the Group's electronic products and enabled the Group to record revenue from the AI infrastructure computing power services extended from its existing industry chain. Such business expansion contributed to the significant increase in the Group's revenue during 1H2026.

Other loss and gains, net for 1H2026 amounted to approximately HK$57.6 million (1H2025: Other income and gains of HK$64.8 million), which mainly represented loss on deconsolidation of subsidiaries of approximately HK$59.8 million (1H2025: nil). The change in other loss and gains was due to the absence of the one-off gains from (a) waiver of loans from a creditor of approximately HK$48.3 million and (b) settlement of loans from a creditor by issuance of bonds of approximately HK$16.4 million recognised in 1H2025 in connection with the debt restructuring by the Group.

Total operating expenses of the Group, including distribution and selling expenses and general administrative expenses, amounted to approximately HK$20.9 million for 1H2026 (1H2025: approximately HK$7.9 million). The increase in operating expenses was due to increase in labour costs as a result of increase in number of staffs and the legal and professional fee for the general matters.

Net loss for 1H2026 was approximately HK$56.8 million (1H2025: net profit of approximately HK$62.6 million), which was primarily due to (i) the absence of the one-off gains from (a) waiver of loans from a creditor of approximately HK$48.3 million and (b) settlement of loans from a creditor by issuance of bonds of approximately HK$16.4 million recognised in 1H2025 in connection with the debt restructuring by the Group; and (ii) the loss arising from the deconsolidation of subsidiaries of approximately HK$59.8 million during 1H2026.

Excluding the abovementioned one-off items, the Group is expected to record an adjusted profit for the period of approximately HK$3.0 million for 1H2026, as compared with an adjusted loss for the period of approximately HK$2.1 million for 1H2025. This represents a turnaround from an adjusted loss in 1H2025 to an adjusted profit in 1H2026, mainly attributable to the increase in revenue and the improvement in the Group's gross profit.

PROSPECTS

Looking ahead, the development of AI will continue to open up new development opportunities for the Group's various electronic product businesses. The Group will remain focused on building its industry chain around electronic products, continue to perfect the integration and upgrade of consumer electronics and battery products with AI, accelerate the growth of the communication products business, and further expand the AI infrastructure computing power services business.

In terms of consumer electronics, the upgrade of consumer electronics driven by AI will shift from the integration of single device to the reconstruction at the system level, with products accelerating their entry into the AI-native era. With the enhancement of edge computing power and the maturity of edge-cloud collaboration, consumer electronics will evolve from functional tools that passively respond to commands into intelligent terminals that proactively understand needs and provide services, and from standalone products to cross-device collaboration. At the same time, product value can be regenerated through continuous model updates, with a model combining hardware with services gradually taking shape. The foregoing changes further elevate the importance of AI infrastructure. Abundant proprietary computing power will accelerate product iteration and shorten the value regeneration cycle, creating new development opportunities for the structural optimisation and value enhancement of consumer electronics.

In terms of battery equipment, demand growth from both consumer terminals and AI infrastructure continues, with further expansion expected in the future. In terms of consumer terminals, the continuous increase in the number of products equipped with AI functions will drive battery demand to grow on a broader scale. In terms of AI infrastructure, the global construction scale continues to expand, with supporting power supply demand extending accordingly. With the concurrent expansion at both ends, the growth potential for the Group's battery products business is expected to further expand.

In terms of communication equipment, the industry is embracing growth opportunities driven by the accelerated construction of AI infrastructure. Infrastructure investment centred on AI computing power is continuously transmitting along the industrial chain of "expansion of AI computing power → construction of AI infrastructure → rising demand for communication equipment". For enterprises that are well-positioned in providing both the communication equipment required for AI and AI infrastructure computing power services, this structural opportunity will become an important growth engine in the coming years.

In the second half of 2026, the Group will continue to focus on conducting its business in the electronic products sector. In terms of operations, the Group will, on the one hand, empower its consumer electronics and battery products with AI to continuously enhance product competitiveness and market position; on the other hand, the Group will deeply expand the sales business of communication products, further increase the scale of its self-held communication equipment, and accelerate the enhancement of its AI infrastructure computing power service capabilities to meet the growing computing power demand both within and outside the Group, thereby actively perfecting the extension of its industrial chain layout. In terms of personnel, the Group will, based on its forward-looking judgement of market demand growth, continue to recruit personnel to enhance its capabilities in business delivery, expansion and upgrade. In terms of capital, the Group will reserve the funds required for development through various means, including operating accumulation and the selective use of equity and debt financing instruments, so as to flexibly replenish inventories and equipment required for its business, consolidate the foundation for business growth and enhance the efficiency of business expansion. Through initiatives including continuous operating accumulation, forward-looking talent reserves and timely capital expansion, the Group will accelerate the industrial layout and extension around the electronic products sector to create long-term value for its shareholders.

WORKING CAPITAL

The inventory balance as at 30 June 2026 was approximately HK$18.7 million (as at 31 December 2025 ("**FY2025**"): approximately HK$51,000) as the Group built up of inventory levels to meet increased sales orders and anticipated customer demand. Trade and other receivables balances as at 30 June 2026 was approximately HK$136.3 million (FY2025: approximately HK$30.3 million).

LIQUIDITY AND TREASURY MANAGEMENT

As at 30 June 2026, bank balances and cash of the Group amounted to approximately HK$289.2 million (FY2025: approximately HK$58.2 million). During 1H2026, the cash was mainly used in operating activities and investing activities.

On 12 March 2026, the Company completed the allotment and issue of 86,652,000 new ordinary shares in the share capital of the Company with a par value of HK$0.6 (the "**Share(s)**") at the placing price of HK$1.88 per Share (the "**2026 Placing**") to independent third party placees. The gross proceeds from the 2026 Placing amounted to approximately HK$162.9 million. After deducting related professional fees and all administrative expenses, the net proceeds amounted to approximately HK$160.7 million. Please refer to the announcement dated 13 February 2026 for details of the 2026 Placing. The use of proceeds analysis is set out in the section headed "ISSUE OF EQUITY SECURITIES FOR CASH" of this announcement.

As at 30 June 2026, the total outstanding amount of borrowing (excluding unlisted secured bonds) was nil (FY2025: approximately HK$1.3 million), all of which are derecognised due to the deconsolidation of subsidiaries in 1H2026.

The Group recorded net current assets of approximately HK$141.4 million (FY2025: approximately HK$22.5 million), which is primarily due to (i) the allotment and issue of the 86,652,000 Placing Shares at issue price of HK$1.88 per share to independent third party placees by the Company; and (ii) the increase in trade receivables as a result of the increase in sales in 1H2026.

CAPITAL STRUCTURE

On 12 March 2026, the Company completed the 2026 Placing to independent third party placees. After deducting related professional fees and all administrative expenses, the net proceeds amounted to approximately HK$160.7 million and will be utilised in the manner as disclosed in the announcements of the Company dated 13 February 2026 and 8 March 2026. For further details of the 2026 Placing, please refer to the announcements of the Company dated 13 February 2026, 8 March 2026 and 12 March 2026.

As at the date of this announcement, the Company has a total of 519,984,181 Shares in issue.

The Group actively and regularly reviews and manages its capital structure to enhance its financial strength for the Group's long-term development. There were no changes in the Group's approach to capital management during the six months ended 30 June 2026.

GEARING RATIO

As at 30 June 2026, the Group's total assets amounted to approximately HK$621.7 million (FY2025: approximately HK$174.4 million). Total liabilities amounted to approximately HK$337.5 million (FY2025: approximately HK$94.6 million), the Group expresses its gearing ratio as a percentage of the 10-year coupon unlisted secured bonds (the "**Bonds**") and borrowings, over total assets which was approximately 4.8% (FY2025: approximately 17.1%). The significant increase in the total assets resulted in the decrease in the gearing ratio.

CHARGES ON GROUP ASSETS

The Company has provided collateral to secure the Bonds obligations which include: (i) a share charge over the entire issued share capital in Oregon Energy Technology Limited, a subsidiary of the Company; and (ii) a corporate guarantee by the Company.

As at 30 June 2026, save as disclosed above, there were no charges on the Group's assets.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 14 May 2026, an indirect wholly owned subsidiary of the Company entered into a servers-purchase agreement with the vendor to acquire 18 units of AI servers for a total consideration of approximately HK$38.12 million for implementing the Company's established strategy, which constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules (further details of which are set out in the announcement of the Company dated 14 May 2026).

Save as disclosed above, the Group did not make any significant investments, acquisitions or disposals that were required to be disclosed under the Listing Rules on the Stock Exchange.

As disclosed in the circular of the Company dated 24 January 2025, the Group previously announced its plan to implement a corporate restructuring of carving out certain non-core subsidiaries (collectively referred to as the "**Non-core Subsidiaries**") with net liabilities to further strengthen the Group's overall financial standing, the process of which may include (but not limited to) winding up these entities. To implement such corporate restructuring, the Group appointed liquidator/administrator and voluntarily commenced liquidation arrangements in respect of the Non-core Subsidiaries in late June 2026 (the "**Organisation Restructuring**"). Subsequent to the Organisation Restructuring, the Group is considered to have lost control over the Non-core Subsidiaries and no longer has any continuing involvement with them. Accordingly, the financial results of the Non-core Subsidiaries had been deconsolidated from those of the Group with effect from late June 2026 and therefore a loss on deconsolidation of Non-core Subsidiaries of approximately HK$59,787,000 was charged to profit or loss in 1H2026. The Non-core Subsidiaries were inactive and were in net liabilities position, and each of the applicable asset, profits and revenue ratios in respect of the Non-core Subsidiaries (on an aggregate basis) were below 5%.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 30 June 2026.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events after the reporting period.

CAPITAL EXPENDITURE

The capital expenditure on property, plant and equipment and intangible assets (including deposits paid to suppliers for the acquisition of machinery and equipment) for 1H2026 was approximately HK$87.4 million (1H2025: HK$16.6 million (including deposit paid for acquisition of property, plant and equipment)).

The significant increase in property, plant and equipment and intangible assets was mainly attributable to the Group's continued implementation of its business development strategy, under which the Group invested in property, plant and equipment and intangible assets to support the expansion of its existing electronic products business and the natural extension of its industry chain into the provision of computing power services. Such investment enhanced the Group's operational capacity and supported the expansion of its business, which in turn contributing to the significant increase in revenue in 1H2026.

There were no material acquisitions or disposals of associated companies in the course of 1H2026 (1H2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As set out in the announcements dated 13 February 2026 and 8 March 2026, the Company intends to apply the net proceeds from the 2026 Placing in accordance with the intended use of proceeds as disclosed therein and will continue to advance the relevant strategic plans, including the establishment and development of the Initiative (as defined in the announcement of the Company dated 8 March 2026).

Saved as disclosed in this announcement, the Group did not have any other future plans for material investments or capital assets.

DIVIDEND

The Board does not recommend any dividend for 1H2026 (1H2025: Nil).

PURCHASE, SALE AND REDEMPTION OF COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code of Conduct for Securities Transactions by Directors (the "**Code of Conduct for Securities Transactions**"). This is on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules, and has been updated from time to time.

Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct for Securities Transactions throughout the six months ended 30 June 2026.

ISSUE OF EQUITY SECURITIES FOR CASH

To continue to focus on conducting business in the electronic products sector and accelerate the extension of the industrial chain, the Company completed the allotment and issue of 86,652,000 new Shares at the placing price of HK$1.88 per Share to independent third party placees, and received the net proceeds from the 2026 Placing of approximately HK$160.7 million after deducting the related professional fees and all administrative expenses incurred in connection with the 2026 Placing. For further details of the 2026 Placing, please refer to the announcements of the Company dated 13 February 2026, 8 March 2026 and 12 March 2026.

As at 30 June 2026, the Group had utilised the proceeds as set out in the table below:

	Net proceeds from the 2026 Placing *HK$ million*	Utilisation up to 30 June 2026 *HK$ million*	Utilisation during the six months ended 30 June 2026 *HK$ million*	Unutilised proceeds *HK$ million*	Expected timeline for the use of unutilised proceeds
To establish and develop the initiative:					
– Procurement of graphics processing unit-accelerated servers (dedicated data infrastructure	40.00	40.00	40.00	–	By September 2026
– Procurement of networking and storage infrastructure (secure transmission and data handling)	12.00	12.00	12.00	–	By September 2026
– Computing centre hosting and co-location	8.00	–	–	8.00	By December 2026
– Cloud platform software development and integration (including device management, data ingestion/aggregation and AI/machine learning deployment)	10.00	–	–	10.00	By December 2026

	Net proceeds from the 2026 Placing *HK$ million*	Utilisation up to 30 June 2026 *HK$ million*	Utilisation during the six months ended 30 June 2026 *HK$ million*	Unutilised proceeds *HK$ million*	Expected timeline for the use of unutilised proceeds
– Information security, compliance and audit systems (including tools and external assessment/testing)	5.00	–	–	5.00	By December 2026
– Project management, contingency and miscellaneous implementation expense	5.35	–	–	5.35	By December 2026
Sub-total	80.35	52.00	52.00	28.35	
To replenish the general working capital of the Group:					
– Settlement of trade payables, overheads and general working capital requirements	40.20	40.2	40.2	–	By December 2026
– Procurement of electronic components and buffer inventory	32.15	32.15	32.15	–	By December 2026
– Technological research and development and talent acquisition	8.00	0.48	0.48	7.52	By December 2026
Sub-total	80.35	72.83	72.83	7.52	
Total	160.70	124.83	124.83	35.87	

The remaining balance of the net proceeds from the 2026 Placing was placed with banks. There has been no change in the intended use of net proceeds and the net proceeds from the 2026 Placing have been and will be applied in the manner consistent with the use of proceeds as disclosed above.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to achieving and maintaining a high standard of corporate governance to safeguard the interests of all shareholders and to enhance corporate value and accountability. Throughout the six months ended 30 June 2026 under review, the Company has applied the principles and complied with all code provisions and where applicable, the recommended best practices prescribed in the Corporate Governance Code ("**CG Code**") in Appendix C1 to the Listing Rules on the Stock Exchange, save for the deviation from the Code Provision C.2.1.

Pursuant to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

On 18 May 2026, Mr. Liu Kun ("**Mr. Liu**") has been appointed as an executive Director, the chairman of the Board and the chief executive officer of the Company with effect from 18 May 2026. The roles of the chairman of the Board and the chief executive officer of the Company are currently performed by Mr. Liu. In view of Mr. Liu's extensive industry experience, the Company considers that having Mr. Liu acting as both the chairman of the Board and the chief executive officer of the Company will provide strong and consistent leadership to the Group and facilitate the efficient execution of the Group's business strategies. The Directors believe that it is appropriate and beneficial to the Group's business development and prospects for Mr. Liu to act as both the chairman of the Board and the chief executive officer of the Company, and therefore currently do not propose to separate the functions of chairman and chief executive officer.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Directors, and the Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. Liu and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman of the Board and the chief executive officer of the Company is necessary.

In addition, the Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices.

FOREIGN EXCHANGE RISKS

The functional currency of the Company is Hong Kong Dollar while certain of the Group's bank balances and cash, trade and other receivables, trade and other payables, borrowings, lease liabilities and loans from other creditors/a shareholder are denominated in RMB and US dollar which are exposed to foreign currency risk.

The Group currently has not entered into any contracts to hedge its foreign currency risk exposure. The Board monitors foreign exchange risk exposure by conducting sensitivity analyses on exchange rates across various currencies and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2026, the Group had a total of 96 (1H2025: 20) staff, primarily in the People's Republic of China (the "**PRC**"). The Group fully recognises the importance of its employees who contribute significantly to its success and continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular professional trainings.

The Group's remuneration policy is to provide compensation packages at market rates which rewards individual performance and to attract, retain and motivate high quality employees. The compensation packages offered by the Group are comparable with other entities of similar size and business nature and are reviewed annually. The components of the employee remuneration package comprise basic salary, double pay, fringe benefits including pension scheme, medical insurance, life and personal accident insurance, employee compensation and business travel insurance as well as incentives like discretionary cash bonus.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Mak Tin Sang, Ms. Chen Weijie, and Mr. Li Bo.

The unaudited financial results of the Group for the six months ended 30 June 2026 have been reviewed by the Audit Committee, but have not been audited or reviewed by the Company's external auditor.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement will be posted on the website of the Stock Exchange (**http://www.hkexnews.hk**) and the website of the Company (**http://www.idt-hk.com**). The interim report of the Company for the six months ended 30 June 2026 will be despatched to the shareholders of the Company and available on the same websites in due course.

By order of the Board
IDT International Limited
Liu Kun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 14 August 2026

As at the date of this announcement, the Board comprises (i) three executive Directors, namely, Mr. Liu Kun, Mr. Zhu Guoqiang and Mr. Shen Yuejie; and (ii) three independent non-executive Directors, namely, Ms. Chen Weijie, Mr. Mak Tin Sang and Mr. Li Bo.