



vtech

2025/2026

INTERIM REPORT 中期報告書

HKSE:303

VTech reported a decline in revenue and profit in the first half of the financial year 2026, as lower sales of electronic learning products (ELPs) and contract manufacturing services (CMS) offset an increase for telecommunication (TEL) products. In particular, ELPs sales were negatively impacted by a temporary halt to shipment in response to changes in US tariff policy. Profit attributable to shareholders of the Company decreased largely because of the lower revenue, despite a slight improvement in gross profit margin.

Results and Dividend

Group revenue for the six months ended 30 September 2025 fell by 9.0% to US\$991.1 million, from US\$1,089.7 million in the corresponding period last year. Sales were lower in all regions.

Profit attributable to shareholders of the Company decreased by 14.5% to US\$74.7 million. The decrease in profit was attributable to lower revenue, increased total operating expenses as a percentage of Group revenue and a higher Group effective tax rate. Gross profit margin posted a slight improvement during the period.

Basic earnings per share decreased by 14.7% to US29.5 cents, compared to US34.6 cents in the same period of the previous financial year.

The Board of Directors has declared an interim dividend of US17.0 cents per ordinary share, unchanged from the interim dividend declared in the first half of the financial year 2025.

Costs

The Group's gross profit margin in the first six months of the financial year 2026 was 31.9%, an improvement over the 31.5% recorded in the same period of the previous financial year. This was mainly attributable to lower cost of materials, as material prices decreased during the period. A more favourable product mix, increases in product prices, stronger European currencies against the US dollar and lower freight charges also contributed to the higher margin. These gains were partially offset by higher tariff and direct labour costs.

Segment Results

North America

Group revenue in North America decreased by 12.1% to US\$398.3 million in the first six months of the financial year 2026. Higher sales of CMS were offset by declines in ELPs and TEL products. North America was VTech's second largest market, accounting for 40.2% of Group revenue.

ELPs revenue in this region fell by 25.4% to US\$167.0 million. This was mainly attributable to changes in US tariff policies. In April this year, the US announced substantial tariff increases on Chinese imports, before reducing them on 12 May. In response, VTech halted shipments to the US for several weeks and raised prices for products sold to the US market, while retailers delayed their store sets for the Autumn season. This negatively impacted both orders and in-store sales during the first half of the financial year 2026. Meanwhile, sales in Canada also posted a decline. Nonetheless, in the first nine months of the calendar year 2025, VTech maintained its leadership in electronic learning toys from infancy through toddler to preschool in the US and Canada¹.

In standalone products, sales declined mainly because of the lower shipments to the US. Core learning product categories and key product lines all posted sales decreases, for both the VTech and LeapFrog brands. Despite this, the first six months saw the Group introduce more exciting new products that bring fun and learning to children in innovative ways. The new VTech introductions included VTech Baby® 4-in-1 Steps & Stages Activity Center™, Buzz & Learn Activity Table™, Get Growing Tractor & Mower Ride-On™ and Kidi Superstar Jr. DJ Mixer™. LeapFrog saw the launch of Strum & Count Wooden Guitar™, Preschool Game & Go™ and Touch & Learn eReader™.

¹ Circana, LLC, Retail Tracking Service. Ranking based on total retail sales of VTech and LeapFrog products in the combined toy categories of Early Electronic Learning, Toddler Figures/Playsets & Accessories, Preschool Electronic Learning, Electronic Entertainment (excluding Tablets) and Walkers for the nine months ended September 2025

Platform products also showed a sales decline. Those of LeapFrog rose, driven by continued growth for Magic Adventures® Globe and the launch of a brand-new product, the award-winning LeapMove™. LeapMove is a motion-based learning system that blends full-body physical activity with early educational content, helping children build school skills through immersive, play-driven experiences. There was also a contribution from LeapStart® Reading Buddies, a revamped version of the popular LeapStart interactive reading system. Sales of the VTech brand declined, however, largely owing to lower sales of KidiZoom® Smartwatch and Touch & Learn Activity Desk™. Subscriptions to LeapFrog Academy™ were stable.

The Group's ELPs again won prestigious awards in North America, testifying to their ability to lead the market in quality and innovation. In the US, LeapMove made both Walmart's "2025 Top Toys List" and Target's "2025 Bullseye's Top Toys List", while the VTech Baby 4-in-1 Steps & Stages Activity Center and Get Growing Tractor & Mower Ride-On won "2025 Good Housekeeping Best Toy Awards". In Canada, VTech Baby 4-in-1 Steps & Stages Activity Center was included in Walmart Canada's "2025 Top Toys List" and the VTech Baby Explore & Move With Puppy™ in the Toys"R"Us Canada "2025 Top Toys List".

TEL products revenue in North America fell by 8.0% to US\$84.8 million in the first half of the financial year 2026.

Sales of residential phones declined, as the market continued to contract. During the period, however, VTech introduced more new products. Among them, the feature-rich AT&T DLP73290, designed with both home and business use in mind, has sold particularly well. During the first six months of the financial year 2026, VTech remained the number one cordless phone brand in the US market².

Sales of commercial phones were also down. Higher sales of hotel phones and SIP (Session Initiation Protocol) phones were insufficient to offset lower sales of multi-line analogue phones and headsets. Growth in the hotel phones category was boosted by increasing sales of the "Next Gen" product line. Snom branded SIP phones also recorded higher sales, offsetting a decline in orders from a customer. During the period, the new Snom D8 series of SIP

desktop phones was successfully launched in the US and has been well received by the market. Multi-line analogue phones posted a sales decline, as the products reached the end of their life cycle, while the transfer of production by a customer to the Group's Gigaset facilities in Germany resulted in lower sales of headsets.

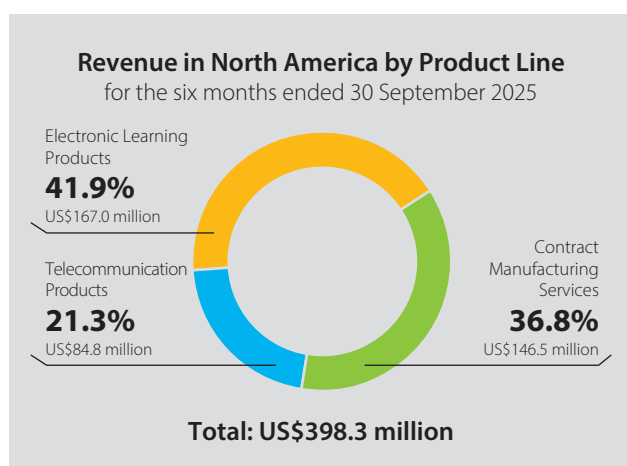
Other telecommunication products reported an increase, as higher sales of baby monitors and IoT (Internet-of-Things) products offset a decline in CareLine® residential phones. Baby monitors saw sales rise owing to increasing sales at a major e-tailer, while IoT products posted higher sales of thermostats for hotel channels. In contrast, CareLine residential phones experienced lower demand. During the first six months of the financial year 2026, VTech maintained its position as the number one baby monitor brand in the US and Canada³. In April, VTech baby monitors were named as "9 out of 10 Customer Recommended" products in the "Women's Choice Award 2025" in the US.

CMS revenue in North America rose by 6.9% to US\$146.5 million in the first six months of the financial year 2026. Growth was led by professional audio equipment, as customers worked through their excess inventory and new customers were added. Especially robust order growth was seen in professional loudspeakers, as the customer's product performed strongly. Industrial products also posted growth. Orders for PCBA (printed circuit board assembly) for vending machines grew as employers began to demand a return to office-based working. Those of IoT products also increased, driven by rising orders for smart basketball hoop game consoles, which have been well received by consumers and are now being sold by major US retailers. This was despite lower sales of smart water leakage detectors as the customer experienced over-inventory. Sales of solid-state lighting were stable. Overall, orders at the VTech manufacturing facility in Tecate, Mexico are increasing in response to the US tariffs. During the period, VTech CMS was given a "Best Partner Award - Electronics Category" by a US customer in professional audio equipment. In addition, it was announced that VTech had maintained its position as the world's number one contract manufacturer of professional audio equipment in the calendar year 2024⁴.

² Circana, LLC, Retail Tracking Service, US, Cordless Phone, Dollars and Units, April – September 2025

³ Circana, LLC, Retail Tracking Service, US & CA, Baby Monitors, Units, April – September 2025

⁴ Music Trades magazine, September 2025 edition, based on estimated revenue for the calendar year 2024



Europe

Group revenue in Europe decreased by 7.2% to US\$429.0 million in the first six months of the financial year 2026, as higher sales of ELPs and TEL products were offset by lower CMS sales. Europe remained VTech's largest market, accounting for 43.3% of Group revenue.

ELPs revenue in Europe increased by 5.5% to US\$144.6 million, with higher sales of both standalone and platform products. The growth was driven by new product launches and the strengthening of European currencies against the US dollar. Sales were higher in France, Spain and the Netherlands, offsetting declines in the UK and Germany. In the first nine months of the calendar year 2025, VTech remained the number one infant and toddler toys manufacturer in France, the UK, Germany, Spain, the Netherlands and Belgium⁵.

In standalone products, LeapFrog sales were higher, while VTech sales were stable. Growth for LeapFrog was mainly driven by infant products and the Magic Adventures line. This offset declines in the preschool category, while sales of eco-friendly toys held steady. VTech saw sales increases in preschool products, electronic learning aids and the Kidi line, but these were insufficient to compensate for the declines of infant and toddler products, KidiZoom cameras, Switch & Go Dinos®, Marble Rush® and eco-friendly toys.

In platform products, higher sales of the LeapFrog brand offset lower VTech brand sales. Growth in the LeapFrog products came largely from the newly launched LeapMove and LeapStart Reading Buddies, as well as higher sales of Magic Adventures Globe. VTech saw sales of KidiZoom Smartwatch, children's educational tablets and Touch & Learn Activity Desk decline, while those of KidiCom® were stable.

During the first six months of the financial year 2026, the Group scooped three awards in the "Grand Prix du Jouet 2025" awards given by France's *La Revue du Jouet* magazine. LeapMove was named both "Toy of the Year" and "Best Educational Console", while Story'Clock Ma conteuse réveil (Sleep & Wake Storyteller™) was "Best Storyteller". LeapMove also made the "Approuvé par les familles 2026" award (Approved by Families Award 2026) list in France, while in the UK it won a "Gold Medal" in the "Independent Toy Awards". In Italy, Music'kid dello Zecchino d'Oro (Let's Record! Music Player™) won "Best Toy – Infant" in the "Gioco per sempre AWARDS 2025" (Play Forever Toys Awards 2025), while in Spain, VTech's 3-in-1 Mow & Grow Tractor won "Best Toy of the Year 2025" in the Infant and Preschool category from the Spanish Association of Toy Manufacturers.

Revenue from TEL products in Europe increased by 24.5% to US\$105.2 million in the first six months of the financial year 2026. Sales of residential phones, commercial phones and smartphones increased, while those of other telecommunication products remained steady.

In residential phones, growth was mainly driven by increasing sales of the Gigaset product lines. The Comfort 550 and A690 models continued to sell well, as their industrial design and feature sets meet market needs. Sales performed especially well in Germany, France and Italy. The Group also started selling Gigaset residential phones in Eastern Europe. As a result, Gigaset increased its market share and retained its number one position in the DECT (Digital Enhanced Cordless Telecommunications) phone market in Europe⁶. To broaden the brand's residential phone portfolio, the Group has developed new entry-level models, which began hitting the shelves in the major European countries in September.

⁵ Circana, LLC, Retail Tracking Service, January – September 2025

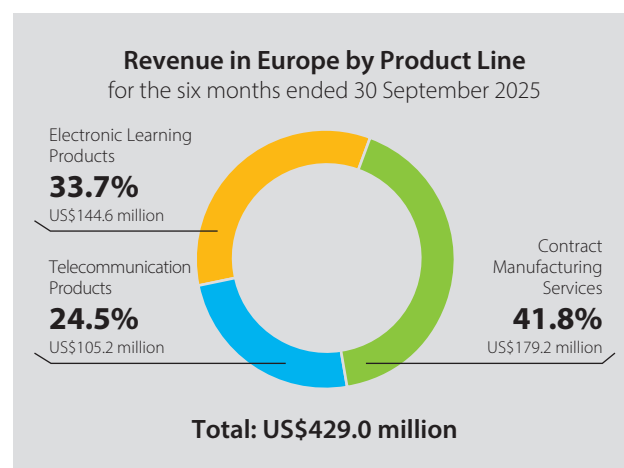
⁶ GfK Retail and Technology UK Limited. Based on period April – September 2025

Sales of commercial phones and smartphones also increased, driven primarily by higher orders from a customer and rising sales of Snom branded SIP phones, which benefited from the introduction of the D8 series. Sales of Gigaset multi-cell DECT systems were stable, while Gigaset smartphones registered growth. During the period, the Group concluded an agreement with an existing customer to move production of its IP (Internet Protocol) phones to the Gigaset facilities in Germany to bolster resilience in its supply chain. In the first six months of the financial year 2026, the Gigaset R700H protect PRO was named "Readers' Choice 2025 Product of the Year" in the IP Phones and Conference Solutions category by *connect professional* in Germany.

Sales of other telecommunication products in Europe held steady during the period. Higher sales of CAT-iq (Cordless Advanced Technology—internet and quality) handsets offset lower sales of baby monitors. The growth in CAT-iq handsets was driven by higher orders from a customer. Sales of baby monitors declined mainly because of lower sales in the UK market. During the first six months of the financial year 2026, the Group's baby monitors and soothers won numerous awards in the UK. They collectively received nine awards in the "MadeForMums Tech Awards 2025" and "Dadsnet Awards 2025".

CMS revenue in Europe decreased by 25.5% to US\$179.2 million, mainly because of lower sales of hearables. The hearables customer faced keen competition and market demand has dropped substantially since the end of the COVID pandemic. Sales of medical and health products trended lower, as demand for hearing aids returned to normal after strong growth in the previous financial year, while that for hair removal products held steady. Home appliances sales were lower, driven by fewer orders for PCBA for washing machines. IoT products were affected by lower orders for smart meters and internet connected thermostats and air-conditioning controls. Sales of smart energy storage systems declined as orders reduced following the removal of subsidies by the Swedish government. By contrast, sales of communication products rose as orders for Wi-Fi routers increased following new product launches and a reduction in customer inventory. Orders for automotive products also increased as the

Group captured additional EV (electric vehicle) charger business from a competitor. Sales of professional audio equipment, meanwhile, remained stable. During the period, VTech CMS won two customer awards in Europe in the professional audio equipment field, namely "Golden Slider 2025" and "25 Years Partnership Award 2025".



Asia Pacific

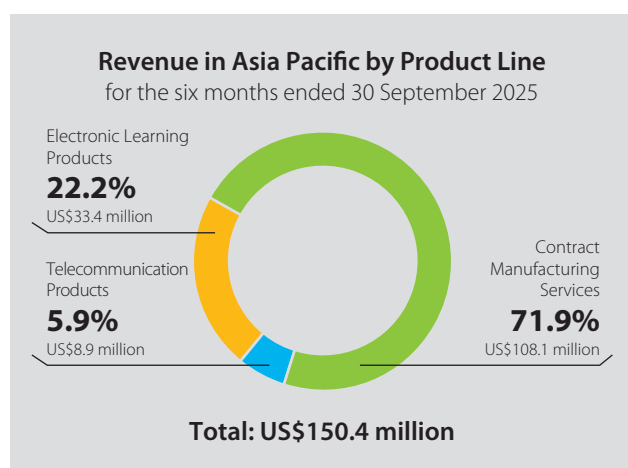
Group revenue in Asia Pacific decreased by 5.6% to US\$150.4 million in the first six months of the financial year 2026. Declines were recorded for all three product lines. The region represented 15.2% of Group revenue.

Revenue from ELPs in Asia Pacific decreased by 5.6% to US\$33.4 million, with flat sales in Australia and lower revenue in China. In Australia, the launch of LeapMove and increased marketing efforts drove LeapFrog sales higher, which was balanced by a decline for VTech products. During the first nine months of the calendar year 2025, VTech maintained its position as the number one manufacturer of electronic learning toys from infancy through toddler and preschool in the country⁷. In China, sales decreased mainly due to a reduction in orders by a major customer. During the period, VTech received a "25th Anniversary Enterprise Award" in the "2025 CBME (Children Baby and Maternity Products Industry Expo) AWARDS".

TEL products revenue in Asia Pacific decreased by 8.2% to US\$8.9 million. The decline was mainly attributable to the Australian market, where baby monitors saw lower sales. Sales in Japan were stable during the period.

⁷ Circana, LLC, Retail Tracking Service. Ranking based on total retail sales of VTech and LeapFrog products in the combined toy categories of Early Electronic Learning, Toddler Figures/Playsets & Accessories, Preschool Electronic Learning, Electronic Entertainment (excluding Tablets) and Walkers for the calendar year ended September 2025

CMS revenue in Asia Pacific fell by 5.4% to US\$108.1 million in the first six months of the financial year 2026. Higher sales of professional audio equipment were insufficient to offset lower sales of medical and health products and communication products. Professional audio equipment sales rose as a major customer pulled orders forward because of tariff uncertainties. Sales of medical and health products declined as the customer for diagnostic ultrasound systems lost market share. In communication products, sales of marine radios fell as the Japanese customer moved further production back in-house to take advantage of the weak currency. During the period, VTech CMS actively promoted its services to expand its customer base in China, leveraging the NPI (New Product Introduction) centre in Shenzhen to attract start-ups and other companies.



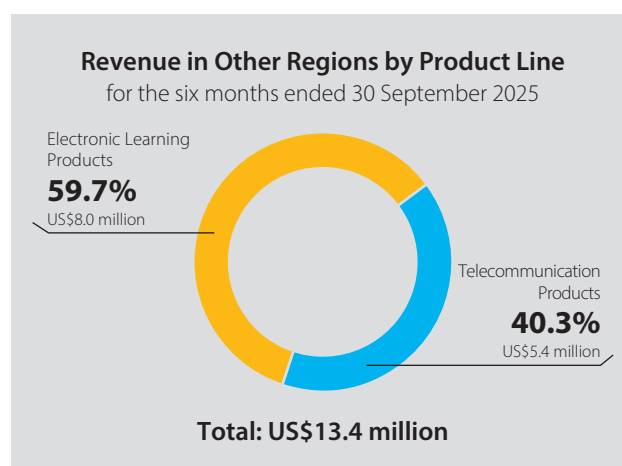
Other Regions

Group revenue in Other Regions, comprising Latin America, the Middle East and Africa, fell by 11.3% to US\$13.4 million in the first six months of the financial year 2026. Higher sales of ELPs were offset by lower sales of TEL products. Other Regions accounted for 1.3% of Group revenue.

ELPs revenue in Other Regions increased by 5.3% to US\$8.0 million, driven by higher sales in Latin America and Africa.

TEL products revenue in Other Regions declined by 28.0% to US\$5.4 million, with sales falling in Latin America, the Middle East and Africa.

CMS revenue in Other Regions was immaterial in the first six months of the financial year 2026.



Outlook

Geopolitical tensions and an uncertain US tariff policy continue to weigh on the macroeconomic environment. Consumer confidence remains fragile in many countries, while many businesses have held back from long-term planning and investment. This has led customers to act cautiously when placing orders. As a result, Group revenue for the full financial year 2026 is still forecast to decline. Sales in the second half, however, are anticipated to improve over the first half of the financial year 2026, driven by higher sales of ELPs and TEL products. Gross profit margin for the full financial year 2026 is expected to be largely stable year-on-year.

ELPs revenue is forecast to improve in the second half, although sales for the full financial year 2026 are anticipated to be lower year-on-year. The recovery will be driven by a rebound in the US and continued growth in Europe. The Group has already shipped its products for the upcoming holiday season to the US, ensuring that local inventory is well-stocked. A large array of new core learning products has arrived on US retail shelves since October, joining the exciting new platform products recently launched, namely LeapMove, LeapStart Reading Buddies and Explore & Write Deluxe Activity Desk. The extensive new line-up will be backed by a strong sales and marketing campaign to maximise sales potential. In Europe, the good momentum from the first half is expected to carry over to the second half, as robust marketing programmes are in place to support growth. The Group's vertically integrated operations should enable VTech to respond swiftly to market demand as opportunities arise. In Asia Pacific, sales are forecast to decline slightly for the full financial year. In China, sales are expected to improve in the second half as new products reach the shelves of major retailers. Those in Australia are projected to remain largely stable.

We have a strong balance sheet, respected brands and a proven track-record of innovation and operational excellence. These strengths will help us navigate the challenges of the current environment and capitalise on opportunities for sustainable growth.

TEL products revenue is on track to achieve growth for the full financial year 2026, driven by increases across residential phones, commercial phones and smartphones in Europe, as well as in other telecommunication products in the US. Sales of residential phones will benefit from the new Gigaset entry-level products now available in key European countries. Commercial phones and smartphones will see growth from several new launches. CrewPTT is a push-to-talk solution that will broaden Gigaset's multi-cell DECT system offering. The Gigaset Pro range will be expanded with Wi-Fi phones, offering a secure and reliable alternative for customers. Two new Gigaset smartphones are also being developed. One targets government bodies and institutions requiring enhanced security, while the other is designed for seniors and focuses on ease of use. Higher orders from the customer will also contribute to growth of commercial phones and smartphones. Sales of Snom branded SIP phones are expected to be largely stable. In other telecommunication products, the Group will strengthen its award-winning baby monitor range with AI (artificial intelligence) enabled models that will launch in the US in the final quarter of the financial year 2026.

CMS revenue is expected to decrease for the full financial year 2026. Global consumer sentiment is weak and the US tariff situation remains volatile, affecting business confidence. As a result, many major product categories will remain in a downward trend in the second half. Amid geopolitical tensions and US tariffs, demand for manufacturing sites outside China continues to grow. VTech CMS is therefore taking steps to expand its manufacturing capacity in Malaysia. A new building will be added to the existing site in Muar, for completion in the middle of the calendar year 2027. As an additional avenue of growth, the Group is exploring new ODM (Original Design Manufacturing) business opportunities.

VTech is taking further steps to diversify globally and maintain competitiveness as the world continues to grapple with the geo-political stresses that are affecting trade. We have a strong balance sheet, respected brands and a proven track-record of innovation and operational excellence. These strengths will help us navigate the challenges of the current environment and capitalise on opportunities for sustainable growth.

Allan Wong Chi Yun

Chairman

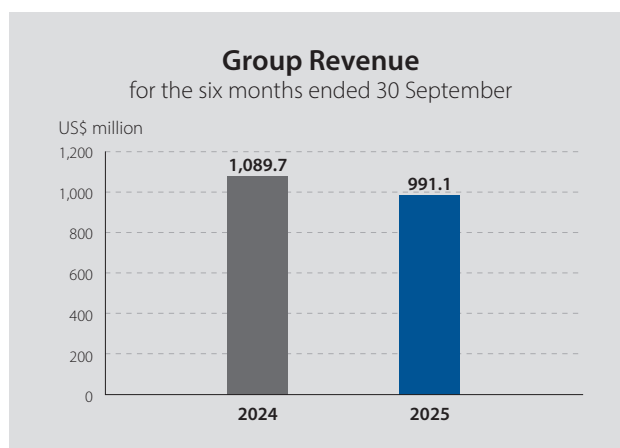
Hong Kong, 13 November 2025

Financial Overview

	Six months ended 30 September		
	2025 US\$ million	2024 US\$ million	Change US\$ million
Revenue	991.1	1,089.7	(98.6)
Gross profit	315.8	343.5	(27.7)
Gross profit margin	31.9%	31.5%	
Other net income	1.1	0.8	0.3
Total operating expenses	(224.0)	(240.1)	16.1
Total operating expenses as a percentage of revenue	22.6%	22.0%	
Operating profit	92.9	104.2	(11.3)
Operating profit margin	9.4%	9.6%	
Net finance expense	(1.6)	(0.9)	(0.7)
Share of results of an associate	–	0.1	(0.1)
Profit before taxation	91.3	103.4	(12.1)
Taxation	(16.6)	(16.0)	(0.6)
Effective tax rate	18.2%	15.5%	
Profit for the period and attributable to shareholders of the Company	74.7	87.4	(12.7)

Revenue

Group revenue for the six months ended 30 September 2025 decreased by 9.0% to US\$991.1 million as compared with the same period of the previous financial year of US\$1,089.7 million. The decrease in revenue was driven by the decrease in revenue in all regions.



	Six months ended 30 September 2025		Six months ended 30 September 2024		Increase / (decrease)	
	US\$ million	%	US\$ million	%	US\$ million	%
North America	398.3	40.2%	453.1	41.6%	(54.8)	(12.1%)
Europe	429.0	43.3%	462.1	42.4%	(33.1)	(7.2%)
Asia Pacific	150.4	15.2%	159.4	14.6%	(9.0)	(5.6%)
Other Regions	13.4	1.3%	15.1	1.4%	(1.7)	(11.3%)
	991.1	100.0%	1,089.7	100.0%	(98.6)	(9.0%)

Gross Profit / Margin

Gross profit for the six months ended 30 September 2025 was US\$315.8 million, a decrease of US\$27.7 million or 8.1% compared with the same period last year. Gross profit margin for the period, however, increased from 31.5% to 31.9%.

The increase in gross profit margin was mainly attributable to the lower cost of materials arising from the decline in material prices and change in product mix, increase in selling prices and stronger European currencies against US Dollar, as well as the lower freight charges compared with the same period last year. These offset the additional tariffs imposed on the goods imported into the United States, and the increase in direct labour costs largely driven by the increase in minimum wages in China and Malaysia during the period.

Operating Profit / Margin

Operating profit for the six months ended 30 September 2025 was US\$92.9 million, a decrease of US\$11.3 million or 10.8% compared with the same period of the previous financial year. Operating profit margin also decreased from 9.6% to 9.4%. These were mainly due to the lower gross profit, as well as the higher operating expenses as a percentage of Group revenue compared with the same period last year.

Total operating expenses decreased from US\$240.1 million to US\$224.0 million compared with the same period last year. Total operating expenses as a percentage of Group revenue increased from 22.0% to 22.6%.

Selling and distribution costs decreased from US\$149.4 million to US\$142.3 million, a decrease of 4.8% compared with the same period last year. As a percentage of Group revenue, it increased from 13.7% to 14.4% which was mainly attributable to the lower Group revenue.

Administrative and other operating expenses decreased from US\$44.8 million to US\$40.3 million, a decrease of 10.0% compared with the same period last year. The net exchange loss arising from the Group's global operations in the ordinary course of business was US\$0.5 million, as compared with an exchange loss of US\$0.3 million in the corresponding period of last year. Administrative and other operating expenses as a percentage of Group revenue remained at 4.1%.

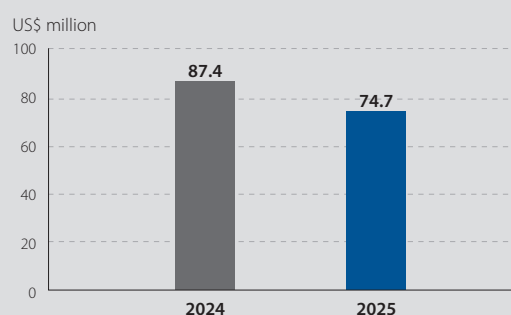
During the first half of the financial year 2026, the research and development expenses decreased from US\$45.9 million to US\$41.4 million, a decrease of 9.8% compared with the same period last year. It was mainly attributable to the lower employment related costs. Research and development expenses as a percentage of Group revenue remained at 4.2%.

Profit Attributable to Shareholders and Earnings per Share

Profit attributable to shareholders of the Company for the six months ended 30 September 2025 was US\$74.7 million, a decrease of US\$12.7 million or 14.5% compared with the same period last year. Net profit margin also decreased from 8.0% to 7.5%. The lower net profit and net profit margin was mainly attributable to the lower operating profit and operating profit margin, as well as the higher Group effective tax rate arising from the implementation of Global Anti Base Erosion Model Rules (Pillar Two) ("GloBE rules") with minimum level of tax rate at 15% in each of the jurisdictions where the Group operates.

Basic earnings per share for the six months ended 30 September 2025 were US29.5 cents as compared to US34.6 cents in the first half of the previous financial year.

Profit Attributable to Shareholders of the Company
for the six months ended 30 September



Dividends

Since the end of the relevant financial period, the directors of the Company (the "Directors") have declared an interim dividend of US17.0 cents per share, which is estimated to be US\$43.0 million.

Liquidity and Financial Resources

The Group's financial resources remain strong and was debt-free. As at 30 September 2025, the Group had deposits and cash of US\$147.9 million, a decrease of US\$2.3 million as compared with a net cash balance of US\$150.2 million as of 30 September 2024. The Group's deposits and cash are predominately denominated in US dollars. The decrease in net cash balance was mainly due to the increase in net cash used in operating activities. This offset the higher opening cash balance compared with the same period of last year. The Group has adequate liquidity to meet its current and future working capital requirements.

As at 30 September 2025, the Group did not have any bank borrowings (31 March 2025: Nil). Accordingly, the gearing ratio is not applicable.

Working Capital

Stocks as of 30 September 2025 were US\$451.0 million, increased from US\$360.8 million as of 31 March 2025 with turnover days of 106 days. The higher stock level was primarily to cater for the higher demand of the Group's products in the second half of the financial year and the seasonality of most of the Group's businesses. Furthermore, we had arranged early production of the Group's products in order to better utilise the Group's production capacities. As compared with the corresponding period of last financial year, stocks decreased by US\$25.8 million or 6.1%, while turnover days increased from 129 days to 138 days.

Trade debtors as of 30 September 2025 were US\$429.0 million, increased from US\$267.8 million as of 31 March 2025 with turnover days of 56 days. This was mainly due to the seasonal nature of most of the Group's businesses. As compared with the corresponding period of last financial year, trade debtors decreased by US\$52.9 million or 11.0%, and turnover days also decreased from 63 days to 60 days.

Trade creditors as of 30 September 2025 were US\$287.6 million, increased from US\$251.8 million as of 31 March 2025 with turnover days of 97 days. As compared to the corresponding period of last financial year, trade creditors decreased by US\$34.7 million or 10.8%, and turnover days increased from 89 days to 97 days.

Treasury Policies

The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's global operations. The Group principally uses forward foreign exchange contracts as appropriate to hedge the foreign exchange risks in the ordinary course of business. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Capital Expenditure and Contingencies

For the six months ended 30 September 2025, the Group invested US\$17.2 million in the purchase of tangible assets including machinery and equipment, leasehold improvements, office equipment, as well as the improvement of manufacturing working environment.

All of these capital expenditures were financed from internal resources.

As of 30 September 2025, the Group had no material contingencies.

Employees and Remuneration Policies

As of 30 September 2025, the average number of VTech's employees was around 20,440, compared to 22,200 as of 30 September 2024. Staff related costs for the six months ended 30 September 2025 were approximately US\$198.6 million, as compared to approximately US\$204.4 million for the same period of the previous financial year.

Employee salaries are reviewed annually and are competitive with market standards. Adjustments are made based on individual performance, market conditions and the Group's financial performance. Discretionary year-end bonuses are given based on individual and the overall company performance.

In addition to salaries and bonuses, employees receive benefits such as medical insurance, retirement plan, training programs and education support. The Group also operates a share option scheme and a share award scheme, which are subject to achievement of certain targets for the current financial year including corporate and individual performance that the employees are responsible for, with purpose of providing incentives and rewards to the eligible participants who contribute to the success of the Group's operations.

Consolidated Statement of Profit or Loss

For the six months ended 30 September 2025

		Six months ended 30 September 2025 (Unaudited) US\$ million	2024 (Unaudited) US\$ million	Year ended 31 March 2025 (Audited) US\$ million
	Note			
Revenue	3	991.1	1,089.7	2,177.2
Cost of sales		(675.3)	(746.2)	(1,490.4)
Gross profit		315.8	343.5	686.8
Other net income	4	1.1	0.8	2.5
Selling and distribution costs		(142.3)	(149.4)	(317.8)
Administrative and other operating expenses		(40.3)	(44.8)	(90.9)
Research and development expenses		(41.4)	(45.9)	(91.9)
Operating profit	3(b)	92.9	104.2	188.7
Net finance expense	4	(1.6)	(0.9)	(3.2)
Share of results of an associate		–	0.1	(0.1)
Profit before taxation	4	91.3	103.4	185.4
Taxation	5	(16.6)	(16.0)	(28.6)
Profit for the period / year and attributable to shareholders of the Company		74.7	87.4	156.8
Earnings per share (US cents)	7			
– Basic		29.5	34.6	62.0
– Diluted		29.5	34.6	61.9

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2025

	Six months ended 30 September 2025 (Unaudited) US\$ million	2024 (Unaudited) US\$ million	Year ended 31 March 2025 (Audited) US\$ million
Profit for the period / year	74.7	87.4	156.8
Other comprehensive income for the period / year			
Item that will not be reclassified to profit or loss:			
Effect of remeasurement of net assets on defined benefit scheme, net of deferred tax	–	–	(0.4)
	–	–	(0.4)
Items that may be reclassified subsequently to profit or loss:			
Fair value losses on hedging, net of deferred tax	(5.8)	(2.5)	–
Realisation of hedging reserve, net of deferred tax	–	(1.1)	(2.0)
Exchange translation differences	14.7	19.7	7.5
	8.9	16.1	5.5
Other comprehensive income for the period / year	8.9	16.1	5.1
Total comprehensive income for the period / year	83.6	103.5	161.9

The notes on pages 14 to 29 form part of this Interim Financial Report. Details of dividends payable to shareholders of the Company attributable to the profit for the period are set out in note 6.

Consolidated Statement of Financial Position

As at 30 September 2025

		30 September 2025 (Unaudited) US\$ million	2024 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
	Note			
Non-current assets				
Tangible assets	8	95.6	97.3	90.3
Right-of-use assets		115.3	136.4	123.6
Intangible assets		13.7	14.3	14.0
Goodwill		36.1	36.1	36.1
Interest in an associate		3.7	3.9	3.7
Investments		2.5	1.2	2.1
Net assets on defined benefit retirement scheme		6.3	6.2	6.2
Deferred tax assets		13.7	11.7	11.2
		286.9	307.1	287.2
Current assets				
Stocks	9	451.0	425.2	360.8
Debtors, deposits and prepayments	10	505.5	547.9	331.2
Taxation recoverable		5.1	5.9	4.4
Deposits and cash		147.9	150.2	335.6
		1,109.5	1,129.2	1,032.0
Current liabilities				
Creditors and accruals	11	(585.8)	(600.9)	(486.1)
Provisions for defective goods returns and other liabilities		(29.3)	(25.3)	(27.1)
Lease liabilities		(23.0)	(19.5)	(15.6)
Taxation payable		(26.8)	(24.1)	(15.4)
		(664.9)	(669.8)	(544.2)
Net current assets		444.6	459.4	487.8
Total assets less current liabilities		731.5	766.5	775.0
Non-current liabilities				
Deferred tax liabilities		(3.0)	(3.1)	(3.5)
Lease liabilities		(111.0)	(135.8)	(126.5)
Long service payment liabilities		(0.7)	(0.6)	(0.6)
		(114.7)	(139.5)	(130.6)
Net assets		616.8	627.0	644.4
Capital and reserves				
Share capital	12(a)	12.7	12.6	12.7
Reserves		604.1	614.4	631.7
Total equity		616.8	627.0	644.4

The notes on pages 14 to 29 form part of this Interim Financial Report.

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025 – unaudited

	Note	Attributable to shareholders of the Company							
		Share capital	Share premium	Award Scheme	Exchange reserve	Capital reserve	Hedging reserve	Revenue reserve	Total equity
		US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million	US\$ million
At 1 April 2025		12.7	165.9	(0.1)	(34.2)	0.8	–	499.3	644.4
Changes in equity for the six months ended 30 September 2025									
Comprehensive income									
Profit for the period		–	–	–	–	–	–	74.7	74.7
Other comprehensive income									
Fair value losses on hedging, net of deferred tax		–	–	–	–	–	(5.8)	–	(5.8)
Exchange translation differences		–	–	–	14.7	–	–	–	14.7
Other comprehensive income for the period		–	–	–	14.7	–	(5.8)	–	8.9
Total comprehensive income for the period		–	–	–	14.7	–	(5.8)	74.7	83.6
Dividends approved and paid during the period	6(b)	–	–	–	–	–	–	(111.3)	(111.3)
Equity-settled share-based payments:									
Share Option Scheme	12(b)	–	–	–	–	0.1	–	–	0.1
Shares purchased for Share Award Scheme	12(c)	–	–	(1.9)	–	–	–	–	(1.9)
Vesting of shares of Share Award Scheme	12(c)	–	–	1.9	–	–	–	–	1.9
At 30 September 2025		12.7	165.9	(0.1)	(19.5)	0.9	(5.8)	462.7	616.8
At 1 April 2024		12.6	164.4	(0.1)	(41.7)	0.6	2.0	507.2	645.0
Changes in equity for the six months ended 30 September 2024									
Comprehensive income									
Profit for the period		–	–	–	–	–	–	87.4	87.4
Other comprehensive income									
Fair value losses on hedging, net of deferred tax		–	–	–	–	–	(2.5)	–	(2.5)
Realisation of hedging reserve, net of deferred tax		–	–	–	–	–	(1.1)	–	(1.1)
Exchange translation differences		–	–	–	19.7	–	–	–	19.7
Other comprehensive income for the period		–	–	–	19.7	–	(3.6)	–	16.1
Total comprehensive income for the period		–	–	–	19.7	–	(3.6)	87.4	103.5
Dividends approved and paid during the period	6(b)	–	–	–	–	–	–	(121.5)	(121.5)
Equity-settled share-based payments:									
Share Option Scheme	12(b)	–	–	–	–	0.1	–	–	0.1
Shares purchased for Share Award Scheme	12(c)	–	–	(2.0)	–	–	–	–	(2.0)
Vesting of shares of Share Award Scheme	12(c)	–	–	1.9	–	–	–	–	1.9
At 30 September 2024		12.6	164.4	(0.2)	(22.0)	0.7	(1.6)	473.1	627.0

The notes on pages 14 to 29 form part of this Interim Financial Report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

	Six months ended 30 September		Year ended 31 March
	2025	2024	2025
	(Unaudited)	(Unaudited)	(Audited)
	US\$ million	US\$ million	US\$ million
Operating activities			
Cash (used in) / generated from operations	(47.5)	(27.1)	255.5
Interest received	1.6	3.0	3.9
Interest on lease liabilities	(3.2)	(3.9)	(7.1)
Taxes paid	(8.4)	(8.1)	(27.0)
Net cash (used in) / generated from operating activities	(57.5)	(36.1)	225.3
Investing activities			
Purchase of tangible assets	(17.2)	(16.9)	(29.5)
Proceeds from disposal of tangible assets	–	–	0.4
Net cash used in investing activities	(17.2)	(16.9)	(29.1)
Financing activities			
Capital element of lease rentals paid	(9.3)	(7.7)	(21.7)
Dividends paid	(111.3)	(121.5)	(164.5)
Other cash flows arising from financing activities	(1.9)	(2.0)	(2.1)
Net cash used in financing activities	(122.5)	(131.2)	(188.3)
Effect of exchange rate changes	9.5	12.3	5.6
(Decrease) / increase in cash and cash equivalents	(187.7)	(171.9)	13.5
Cash and cash equivalents at the beginning of period / year	335.6	322.1	322.1
Cash and cash equivalents at the end of period / year	147.9	150.2	335.6

The notes on pages 14 to 29 form part of this Interim Financial Report.

Notes to the Unaudited Interim Financial Report

1 Basis of Preparation

The Directors are responsible for preparing the Interim Financial Report in accordance with applicable law and regulations. This unaudited Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue on 13 November 2025.

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2025 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual consolidated financial statements. Details of any changes in accounting policies are set out in note 2.

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

The Interim Financial Report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual consolidated financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The Interim Financial Report has not been audited or reviewed by the auditors pursuant to International Standards on Auditing or International Standards on Review Engagements.

The financial information relating to the financial year ended 31 March 2025 that is included in the Interim Financial Report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements. The annual consolidated financial statements for the year ended 31 March 2025 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 14 May 2025.

2 Changes in Accounting Policies

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group:

- Amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this Interim Financial Report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Revenue and Segment Information

(a) Revenue

The principal activity of the Group is design, manufacture and distribution of consumer electronic products. All revenue of the Group is from contracts with customers within the scope of IFRS 15 and recognised at a point in time.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products and regions is as follows:

Six months ended 30 September 2025	North America (Unaudited) US\$ million	Europe (Unaudited) US\$ million	Asia Pacific (Unaudited) US\$ million	Other Regions (Unaudited) US\$ million	Total (Unaudited) US\$ million
Electronic Learning Products	167.0	144.6	33.4	8.0	353.0
Telecommunication Products	84.8	105.2	8.9	5.4	204.3
Contract Manufacturing Services	146.5	179.2	108.1	–	433.8
Total	398.3	429.0	150.4	13.4	991.1

Six months ended 30 September 2024	North America (Unaudited) US\$ million	Europe (Unaudited) US\$ million	Asia Pacific (Unaudited) US\$ million	Other Regions (Unaudited) US\$ million	Total (Unaudited) US\$ million
Electronic Learning Products	223.8	137.0	35.4	7.6	403.8
Telecommunication Products	92.2	84.5	9.7	7.5	193.9
Contract Manufacturing Services	137.1	240.6	114.3	–	492.0
Total	453.1	462.1	159.4	15.1	1,089.7

(b) Segment Information

The Group manages its businesses by divisions, which are organised by geography. In accordance with IFRS 8, *Operating segments* and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

- North America (including the United States and Canada)
- Europe
- Asia Pacific
- Other Regions, which covers sales of electronic products to the rest of the world

The Company is domiciled in Bermuda. The results of its revenue from external customers located in North America, Europe, Asia Pacific and elsewhere are set out in the table below.

Each of the above reportable segments primarily derives its revenue from the sale of electronic learning products, telecommunication products and products from contract manufacturing services to customers in the relevant geographical region.

All of these products are manufactured in the Group's manufacturing facilities located in the People's Republic of China and Malaysia under the Asia Pacific segment, Germany under Europe segment and Mexico under North America segment.

3 Revenue and Segment Information (Continued)

(b) Segment Information (Continued)

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

(i) Segment revenues and results

Revenue is allocated to the reportable segments based on the location of external customers. Expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those geographical locations or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is operating profit.

In addition to receiving segment information concerning operating profit, management is provided with segment information concerning revenue and depreciation and amortisation.

(ii) Segment assets and liabilities

Segment assets include all non-current assets and current assets with the exception of deferred tax assets, taxation recoverable and other corporate assets including intangible assets, goodwill, investments and interest in an associate.

Segment liabilities include creditors and accruals, provisions for defective goods returns and other liabilities, lease liabilities and long service payment liabilities with the exception of taxation payable and deferred tax liabilities.

Segment information regarding the Group's revenue, results, assets and liabilities by geographical market is presented below:

	Reportable segment revenue		Reportable segment profit	
	Six months ended		Six months ended	
	30 September		30 September	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	US\$ million	US\$ million	US\$ million	US\$ million
North America	398.3	453.1	35.8	46.8
Europe	429.0	462.1	38.5	34.8
Asia Pacific	150.4	159.4	14.3	19.2
Other Regions	13.4	15.1	4.3	3.4
	991.1	1,089.7	92.9	104.2

	Reportable segment assets		Reportable segment liabilities	
	30 September		30 September	
	2025		2025	
	2025	31 March	2025	31 March
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	US\$ million	US\$ million	US\$ million	US\$ million
North America	196.4	125.4	(102.7)	(84.3)
Europe	377.9	217.2	(82.7)	(48.5)
Asia Pacific	747.3	905.1	(564.4)	(523.1)
Other Regions	–	–	–	–
	1,321.6	1,247.7	(749.8)	(655.9)

3 Revenue and Segment Information (Continued)

(b) Segment Information (Continued)

(iii) Reconciliations of reportable segment assets and liabilities

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
Assets		
Reportable segment assets	1,321.6	1,247.7
Intangible assets	13.7	14.0
Goodwill	36.1	36.1
Interest in an associate	3.7	3.7
Investments	2.5	2.1
Taxation recoverable	5.1	4.4
Deferred tax assets	13.7	11.2
Consolidated total assets	1,396.4	1,319.2
Liabilities		
Reportable segment liabilities	(749.8)	(655.9)
Taxation payable	(26.8)	(15.4)
Deferred tax liabilities	(3.0)	(3.5)
Consolidated total liabilities	(779.6)	(674.8)

4 Profit before Taxation

Profit before taxation is arrived at after charging / (crediting) the following:

	Six months ended 30 September 2025 (Unaudited) US\$ million	2024 (Unaudited) US\$ million
Cost of inventories	675.3	746.2
Fair value gain on investments measured at fair value through profit or loss (Notes i & ii)	(0.4)	–
Rental income (Note i)	(0.7)	(0.8)
Depreciation of tangible assets	15.3	16.2
Depreciation of right-of-use assets	11.3	11.2
Amortisation of intangible assets	0.3	0.4
Write-down of inventories, net of reversals	1.6	3.1
Loss allowance for trade debtors	0.3	1.5
Reversal of loss allowance for trade debtors	(1.0)	(0.2)
Interest on lease liabilities (Note iii)	3.2	3.9
Other interest income, net (Note iii)	(1.6)	(3.0)
Net foreign exchange loss	0.5	0.3

Notes:

- (i) Included in other net income in the Consolidated Statement of Profit or Loss.
- (ii) The Group invests in an investment holding company which has a shareholding in a listed entity that designs and distributes integrated circuit products (the "Investment"). A fair value gain of US\$0.4 million on the Investment was recorded in current period.
- (iii) Included in net finance expense in the Consolidated Statement of Profit or Loss.

5 Taxation

(a) Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 September	
	2025 (Unaudited) US\$ million	2024 (Unaudited) US\$ million
Current tax – Hong Kong		
– Hong Kong Profits Tax	6.5	9.4
– Pillar Two income taxes (note 5(b))	2.5	–
	9.0	9.4
Current tax – Overseas		
– Income taxes	10.7	10.2
Over-provision in respect of prior years		
– Hong Kong	–	(0.2)
– Overseas	(0.7)	(0.2)
Deferred tax		
– Origination and reversal of temporary differences	(2.4)	(3.2)
	16.6	16.0
Current tax	19.0	19.2
Deferred tax	(2.4)	(3.2)
	16.6	16.0

Provision for Hong Kong Profits Tax and overseas taxation has been calculated at the current rates of taxation prevailing in the jurisdiction in which the Group operates.

During the year ended 31 March 2025, the Inland Revenue Department of Hong Kong (“IRD”) issued notices of additional assessment amounted to US\$8.8 million for the year of assessment 2018/19 in connection with the tax treatment relating to contract processing arrangement in the PRC.

Having reviewed the merits of the additional tax assessments and taking into account legal advice received, the Directors have determined to strongly contest the additional assessments raised by the IRD. The Group has lodged objections against these additional tax assessments and has applied to hold over the additional tax demanded. The IRD has agreed to the holdover part of the additional tax demanded of US\$4.4 million subject to the purchase of tax reserve certificates (“TRCs”) and has agreed to hold over the remaining balance of US\$4.4 million unconditionally.

The purchase of TRCs do not prejudice the Group’s tax position. No additional tax provision has been made during the six months ended 30 September 2025 in respect of the above additional tax assessments.

(b) Pillar Two income tax

The Organisation for Economic Co-operation and Development (“OECD”)/G20 Inclusive Framework on Base Erosion and Profit Shifting (“BEPS”) seeks to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment. GloBE rules represents the first substantial overhaul of international tax rules in almost a century. It proposes mechanisms to ensure multi-national enterprises would pay a minimum level of tax with the rate of 15% on the income arising in each of the jurisdictions where they operate.

The Group has applied the temporary exception under IAS 12, *Income Taxes* to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

6 Dividends

(a) Dividend attributable to the period:

	Six months ended 30 September	
	2025 (Unaudited) US\$ million	2024 (Unaudited) US\$ million
Interim dividend of US17.0 cents (2024: US17.0 cents) per share declared	43.0	43.0

The interim dividend was proposed after the end of the relevant financial period and has not been recognised as a liability at the end of the relevant financial period.

(b) At a meeting held on 14 May 2025, the Directors proposed a final dividend of US44.0 cents (2024: US48.0 cents) per ordinary share for the year ended 31 March 2025, which was estimated to be US\$111.4 million at the time calculated on the basis of the ordinary shares in issue as at 31 March 2025. The final dividend was approved by shareholders at the annual general meeting on 15 July 2025. The final dividend paid in respect of the year ended 31 March 2025 totaled US\$111.3 million (2024: US\$121.5 million).

7 Earnings per Share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of the Company of US\$74.7 million (2024: US\$87.4 million).

The calculation of basic earnings per share is based on the weighted average of 252.8 million (2024: 252.9 million) ordinary shares in issue during the period after adjusting for shares held for Share Award Scheme.

No material adjustment has been made to the basic earnings per share presented for the periods ended 30 September 2024 and 30 September 2025 as the Company did not have any significant dilutive potential ordinary shares during the periods.

8 Tangible Assets

During the six months ended 30 September 2025, the Group acquired items of tangible assets with cost of US\$17.2 million (six months ended 30 September 2024: US\$38.9 million).

9 Stocks

Stocks in the consolidated statement of financial position at 30 September 2025 comprised mainly finished goods of US\$282.4 million (31 March 2025: US\$177.0 million, 30 September 2024: US\$228.7 million).

10 Debtors, Deposits and Prepayments

Debtors, deposits and prepayments of US\$505.5 million (31 March 2025: US\$331.2 million, 30 September 2024: US\$547.9 million) include trade debtors of US\$429.0 million (31 March 2025: US\$267.8 million, 30 September 2024: US\$481.9 million).

An ageing analysis of trade debtors, based on the invoice date and net of allowance, is as follows:

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
0-30 days	244.9	161.8
31-60 days	141.7	78.7
61-90 days	29.6	21.5
>90 days	12.8	5.8
Total	429.0	267.8

The majority of the Group's sales are on letters of credit and on open credit with varying terms of 30 to 90 days. Certain open credit sales are covered by credit insurance or bank guarantees.

11 Creditors and Accruals

Creditors and accruals of US\$585.8 million (31 March 2025: US\$486.1 million, 30 September 2024: US\$600.9 million) include trade creditors of US\$287.6 million (31 March 2025: US\$251.8 million, 30 September 2024: US\$322.3 million).

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
Trade creditors	287.6	251.8
Contract liabilities	10.4	5.7
Other creditors and accruals	280.4	228.4
Forward foreign exchange contracts held as cash flow hedging instruments	7.4	0.2
	585.8	486.1

An ageing analysis of trade creditors by invoice date is as follows:

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
0-30 days	92.6	95.1
31-60 days	67.5	52.4
61-90 days	61.6	43.1
>90 days	65.9	61.2
Total	287.6	251.8

12 Share Capital, Share Option Scheme and Share Award Scheme

(a) Share Capital

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
<i>Authorised</i>		
Ordinary shares: 400,000,000 (31 March 2025: 400,000,000) of US\$0.05 each	20.0	20.0

	30 September 2025 (Unaudited)		31 March 2025 (Audited)	
	No. of shares	US\$ million	No. of shares	US\$ million
<i>Issued and fully paid</i>				
Ordinary shares of US\$0.05 each:				
At the beginning of the period / year	253,109,133	12.7	252,882,466	12.6
Exercise of share options under the Share Option Scheme	–	–	226,667	0.1
At the end of the period / year	253,109,133	12.7	253,109,133	12.7

(b) Share Option Scheme

On 19 July 2023 (the “Adoption Date”), the Company adopted a share option scheme (the “2023 Share Option Scheme”) which complies with the requirements under Chapter 17 of the Listing Rules. Following which, the Company’s then existing share option scheme adopted in July 2021 (the “2021 Share Option Scheme”) has been suspended. While no further share options may be granted pursuant to the 2021 Share Option Scheme, any outstanding share options granted thereunder remain valid and are subject to the provisions thereof. For the purpose of this note, references to the Share Option Scheme refer to the 2021 Share Option Scheme and/or 2023 Share Option Scheme, as the context requires.

A summary of the Share Option Scheme is set out below:

(i) Purpose

The purposes of the Share Option Scheme are (i) to attract potential employees; (ii) to motivate and retain the employees and directors of any members (from time to time) of the Group to support the Group’s long term development; and (iii) to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible participants for their contributions and/or potential contributions to the Group.

(ii) Participants

The participants under the Share Option Scheme are the Directors and the employees of any members of the Group.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

(iii) Number of Shares Available for Issue

The total number of share options and share awards available for grant under the scheme mandates of the Share Option Scheme and the Share Award Scheme (as defined below) as at 1 April 2025 and 30 September 2025 was 23,346,579 shares and 23,346,579 shares respectively.

As at the date of this Interim Report, the total number of shares available for issue under the Share Option Scheme and the Share Award Scheme is 25,061,579 shares, representing 9.9% of the issued shares of the Company.

(iv) Maximum Entitlement of Each Participant

No participant may receive more than 1% of the total number of shares of the Company in issue in respect of all share options and share awards to be granted under the Share Option Scheme and any other share scheme(s) in any 12-month period ending on the date of the grant (the "1% Individual Limit"). This limit excludes any share options or share awards that have lapsed in that period.

(v) Exercise Period and Vesting Period

The period within which a share option may be exercised will be determined by the Board of Directors (the "Board") at its absolute discretion but no share option may be exercised later than ten years from the date of its grant.

Under the 2023 Share Option Scheme, subject to the Board (including the Remuneration Committee) exercising its discretion to shorten the vesting period, all share options granted will be subject to a minimum vesting period of 12 months.

(vi) Payment on Acceptance of Share Option

An offer for the grant of a share option under the Share Option Scheme is open for acceptance by the grantee within 30 days from the date of offer. Upon acceptance, the grantee is required to pay a sum of HK\$1.00 (or its equivalent) (or such other reasonable amount as determined by the Board) as consideration for the grant within the said 30-day period.

(vii) Exercise Price

The exercise price of the share option under the Share Option Scheme shall be such price as determined by the Board at its absolute discretion and shall be no less than the highest of:

- (1) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;
- (2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (3) the nominal value of a share on the date of grant.

(viii) Scheme Life

The 2023 Share Option Scheme has a life of ten years from the Adoption Date and shall expire on 18 July 2033.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

The movements in relation to the share options granted under the Share Option Scheme during the six months ended 30 September 2025 are as follows:

Name / category of grantees	Date of grant (Note ii)	Exercise price per share (HK\$)	Fair value per share as at the date of grant (HK\$)	Exercise period (Notes iii & iv)	Number of share options		
					Balance as at 1 April 2025 (Note v)	Granted	Exercised / Cancelled / Lapsed (Notes vi & vii)
Directors							
Allan WONG Chi Yun (Note viii)	28 August 2024	50.05	4.13	1 September 2025 to 31 August 2028	83,333	–	–
	28 August 2024	50.05	4.03	1 September 2026 to 31 August 2029	83,333	–	–
	28 August 2024	50.05	3.82	1 September 2027 to 31 August 2030	83,334	–	–
PANG King Fai	14 March 2022	54.00	7.04	31 March 2024 to 30 March 2026	60,000	–	–
	28 August 2024	50.05	4.13	1 September 2025 to 31 August 2028	90,000	–	–
	28 August 2024	50.05	4.03	1 September 2026 to 31 August 2029	90,000	–	–
	28 August 2024	50.05	3.82	1 September 2027 to 31 August 2030	90,000	–	–
Andy LEUNG Hon Kwong	14 March 2022	54.00	7.04	31 March 2024 to 30 March 2026	100,000	–	–
	28 August 2024	50.05	4.13	1 September 2025 to 31 August 2028	150,000	–	–
	28 August 2024	50.05	4.03	1 September 2026 to 31 August 2029	150,000	–	–
	28 August 2024	50.05	3.82	1 September 2027 to 31 August 2030	150,000	–	–
Five highest paid individuals	14 March 2022	54.00	7.04	31 March 2024 to 30 March 2026	90,000	–	–
	28 August 2024	50.05	4.13	1 September 2025 to 31 August 2028	165,000	–	–
	28 August 2024	50.05	4.03	1 September 2026 to 31 August 2029	165,000	–	–
	28 August 2024	50.05	3.82	1 September 2027 to 31 August 2030	165,000	–	–
					1,715,000	–	–

Notes:

- No share options were granted under the Share Option Scheme in excess of the 1% Individual Limit.
- The closing price of the shares immediately before the date on which the share options were granted on 14 March 2022 and 28 August 2024 was HK\$52.80 and HK\$49.65 respectively.
- The vesting period of the share options runs from the date of grant until the commencement of the relevant exercise period.
- The share options granted pursuant to the 2021 Share Option Scheme on 14 March 2022 were not subject to any performance targets.
- 1,465,000 share options were granted on 28 August 2024. Such 1,465,000 share options granted on 28 August 2024 were not subject to the achievement of any performance targets or clawback mechanisms. Having considered that (i) the grantees are either Directors or employees of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group; and (ii) the share options are subject to certain vesting conditions and terms of the Share Option Scheme, which already covers situations where the share options will lapse in the event that the grantees cease to be Directors or employees of the Group, the Remuneration Committee and the Board believe that even without additional performance target or clawback mechanism, the grant of the share options would align the interests of the grantees with that of the Group and the shareholders of the Company, provide incentives to the grantees to devote to the future continuous competitiveness, results of operation and growth of the Group, and reinforce the grantees' long term commitment to the Group, which is in line with the purpose of the Share Option Scheme in providing a flexible means of giving incentive to and rewarding eligible participants of the Share Option Scheme.
- During the six months ended 30 September 2025, no share options (2024: 166,667 share options) were exercised. During the six months ended 30 September 2024, the weighted average closing price of the shares immediately before the dates on which the share options were exercised was HK\$54.80.
- During the six months ended 30 September 2025 and 30 September 2024, no share options were cancelled or lapsed.
- Dr. Allan WONG Chi Yun is an Executive Director, the Chairman, the Group Chief Executive Officer, and a substantial shareholder of the Company.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

The movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	30 September 2025 (Unaudited)		31 March 2025 (Audited)	
	Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
Outstanding at the beginning of the period / year	HK\$50.63	1,715,000	HK\$53.92	686,667
Granted during the period / year	–	–	HK\$50.05	1,465,000
Exercised during the period / year	–	–	HK\$53.75	(226,667)
Lapsed during the period / year	–	–	HK\$54.00	(210,000)
Outstanding at the end of the period / year	HK\$50.63	1,715,000	HK\$50.63	1,715,000
Exercisable at the end of the period / year	HK\$51.39	738,333	HK\$54.00	250,000

The share options outstanding as at 30 September 2025 had a weighted average remaining contractual life of 3.42 years (31 March 2025: 3.93 years).

The total number of shares that may be issued in respect of the share options and share awards granted under all share schemes of the Company during the six months ended 30 September 2025 divided by the weighted average number of shares in issue for the period was 0.11%.

Value of share options

The fair values of the share options granted by the Company were determined using the Black-Scholes Options Pricing Model, a commonly used model for estimating the fair value of a share option. The variables and assumptions such as the expected volatility and expected dividend yield used in computing the fair value of the share options are based on the management's best estimates taking into account factors set out in notes (i) and (ii) under the table in the section headed "Fair value of share options and assumptions" below. The value of a share option is determined by different variables which are based on a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of a share option.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

Fair value of share options and assumptions

	Date of grant			
	14 March 2022	28 August 2024	28 August 2024	28 August 2024
Exercise period	31 March 2024 to 30 March 2026	1 September 2025 to 31 August 2028	1 September 2026 to 31 August 2029	1 September 2027 to 31 August 2030
Fair value of each share option as of the date of grant	HK\$7.04	HK\$4.13	HK\$4.03	HK\$3.82
Closing share price at the date of grant	HK\$54.00	HK\$49.20	HK\$49.20	HK\$49.20
Exercise price	HK\$54.00	HK\$50.05	HK\$50.05	HK\$50.05
Expected volatility (<i>note i</i>)	35.33%	28.32%	28.32%	28.32%
Annual risk-free interest rate (based on Hong Kong government bonds)	2.95%	2.24%	2.24%	2.24%
Expected average life of share options	3.1 years	2.5 years	3.5 years	4.5 years
Expected dividend yield (<i>note ii</i>)	9.35%	10.09%	10.09%	10.09%

Notes:

- (i) The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of the Company's daily share prices over the two years immediately preceding the grant date.
- (ii) Expected dividend yield is based on historical dividends over one year prior to the grant date.

For details of the accounting standard and policy adopted for the share options granted under the Share Option Scheme, please refer to note (V) (iii) under Material Accounting Policies to the Notes to the Consolidated Financial Statements in the Company's 2025 Annual Report.

During the six months ended 30 September 2025, share-based payment expenses of US\$0.1 million (2024: US\$0.1 million) in respect of the Share Option Scheme were charged to the consolidated statement of profit or loss.

During the year ended 31 March 2025, 1,465,000 share options were granted on 28 August 2024. The aggregate fair value on the date of grant on 28 August 2024 of all outstanding share options granted under the Share Option Scheme to the Directors and to the five highest paid individuals was US\$0.5 million and US\$0.3 million respectively.

(c) Share Award Scheme

On the Adoption Date, the Company also adopted a share award scheme (the "Share Award Scheme") which complies with the requirements under Chapter 17 of the Listing Rules.

The Share Award Scheme is a share scheme involving the grant of shares and is funded by both existing shares and new shares of the Company.

The Company established a French subplan (the "French Subplan") which is applicable to the selected employees who are French residents or who are or may become subject to French tax as a result of share awards granted under the Share Award Scheme. The French Subplan is also funded by both new shares and existing shares of the Company.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

A summary of the Share Award Scheme is set out below:

(i) Purpose

The purposes of the Share Award Scheme are (i) to attract potential employees; (ii) to motivate and retain the employees to support the Group's long term development; and (iii) to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the employees for their contributions and/or potential contributions to the Group.

(ii) Participants

The participants under the Share Award Scheme are the Directors and the employees of any members of the Group.

(iii) Number of Shares Available for Issue

The total number of share awards and share options available for grant under the scheme mandates of the Share Award Scheme and the Share Option Scheme as at 1 April 2025 and 30 September 2025 was 23,346,579 shares and 23,346,579 shares respectively.

As at the date of this Interim Report, the total number of shares available for issue under the Share Award Scheme and the Share Option Scheme is 25,061,579 shares, representing 9.9% of the issued shares of the Company.

(iv) Maximum Entitlement of Each Participant

No participant may receive more than 1% of the total number of shares of the Company in issue in respect of all share awards and share options to be granted under the Share Award Scheme and any other share scheme(s) in any 12-month period ending on the date of the grant (the "1% Individual Limit"). This limit excludes any share options or share awards that have lapsed in that period.

(v) Vesting Period

Under the Share Award Scheme, subject to the Board (including the Remuneration Committee) exercising its discretion to shorten the period, all share awards granted will be subject to a minimum period of 12 months before the share awards may be vested where the share awards only involve the grant of new shares and do not involve existing shares.

(vi) Payment on Acceptance of Awarded Shares

No payment is required to be made by the participants upon acceptance of an award or upon the vesting of any awarded shares under the Share Award Scheme.

(vii) Scheme Life

The Share Award Scheme has a life of ten years from the Adoption Date and shall expire on 18 July 2033.

During the six months ended 30 September 2025, the trustee of the Share Award Scheme purchased 275,000 shares (2024: 275,000 shares) on the Stock Exchange to fund the share awards under the Share Award Scheme for a total purchase price of approximately US\$1.9 million (2024: US\$2.0 million). Further, no new shares (2024: nil) were issued to the trustee under the scheme mandate of the Company to fund the share awards under the Share Award Scheme.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

Details of the awarded shares (including the shares awarded pursuant to the French Subplan) under the Share Award Scheme during the six months ended 30 September 2025 are as follows:

Name / category of grantees	Date of award	Closing price of the shares immediately before the date of award (HK\$)	Fair value per share as at the date of award (HK\$) (Note i)	Number of share awards				Balance as at 30 September 2025	Period during which share awards may be vested (Note v)
				Balance as at 1 April 2025	Granted (Notes ii & iii)	Vested (Notes iv, v & vi)	Cancelled / Lapsed (Note vii)		
Directors									
Allan WONG Chi Yun (Note viii)	18 December 2024	50.65	51.00	100,000 (Note iv)	–	(100,000)	–	–	15 May 2025 to 21 May 2025
PANG King Fai	18 December 2024	50.65	51.00	30,000 (Note iv)	–	(30,000)	–	–	15 May 2025 to 21 May 2025
Andy LEUNG Hon Kwong	18 December 2024	50.65	51.00	50,000 (Note iv)	–	(50,000)	–	–	15 May 2025 to 21 May 2025
Five highest paid individuals	18 December 2024	50.65	51.00	55,000 (Note iv)	–	(55,000)	–	–	15 May 2025 to 21 May 2025
Other employees	18 July 2024	55.75	55.20	39,300 (Note ix)	–	(39,300)	–	–	18 July 2025 to 24 July 2025
	18 December 2024	50.65	51.00	19,000 (Note iv)	–	(19,000)	–	–	15 May 2025 to 21 May 2025
	20 June 2025	55.20	55.50	–	194,700	(194,700)	–	–	20 June 2025 to 26 July 2025
	18 July 2025	55.20	55.15	–	33,300	(33,300)	–	–	18 July 2025 to 24 July 2025
	22 July 2025	56.60	55.50	–	47,600 (Note x)	–	–	47,600	22 July 2026 to 28 July 2026
				293,300	275,600	(521,300)	–	47,600	

Notes:

- The fair value at the date of grant was determined based on the closing price of the shares on the date of the award. The expected dividends during the period pending the vesting of the share awards were also taken into account when assessing the fair value of these awarded shares.
- During the six month ended 30 September 2025, 275,600 awarded shares with a total fair value of US\$2.0 million were granted to certain senior management and employees, and the vesting of the awarded shares granted are based on the financial performance of the Group or the financial performance of the business for which the relevant grantee was responsible for the respective year.
- These awarded shares were purchased on the Stock Exchange by the trustee of the Share Award Scheme.
- 180,000 awarded shares (2024: 180,000 awarded shares) and 74,000 awarded shares (2024: 74,000 awarded shares) were granted to Executive Directors and certain senior management on 18 December 2024 and such awarded shares were vested on 15 May 2025 upon the achievement of certain performance targets for the year ended 31 March 2025. These awarded shares were purchased on the Stock Exchange by the trustee of the Share Award Scheme.
 - The performance targets for the vesting of the awarded shares granted for the year ended 31 March 2025 relate to the financial performance of the Group or the financial performance of the business for which the relevant grantee was responsible for the respective year.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

Notes: (Continued)

- (v) *The vesting period of the share awards runs from the date of grant until the commencement of the period during which the relevant share awards may be vested.*
- (vi) *The weighted average closing price of the shares immediately before the various dates on which the awarded shares were vested for the six months ended 30 September 2025 was HK\$54.09.*
- (vii) *During the six months ended 30 September 2025 and 30 September 2024, no awarded shares were cancelled or lapsed.*
- (viii) *Dr. Allan WONG Chi Yun is an Executive Director, the Chairman, the Group Chief Executive Officer, and a substantial shareholder of the Company.*
- (ix) *These awarded shares were granted under the French Subplan during the year ended 31 March 2025.*
- (x) *These awarded shares were granted under the French Subplan during the six months ended 30 September 2025.*
- (xi) *During the six months ended 30 September 2025 and 30 September 2024, no awarded shares were granted to the Non-executive Directors.*
- (xii) *No grants of awarded shares under the Share Award Scheme were in excess of the 1% Individual Limit.*
- (xiii) *No payment is required to be made by the participants for the awarded shares.*

For details of the accounting standard and policy adopted for the share awards granted under the Share Award Scheme, please refer to note (V) (iii) under Material Accounting Policies in the Notes to the Consolidated Financial Statements in the Company's 2025 Annual Report.

The total number of shares that may be issued in respect of the share awards and share options granted under all share schemes of the Company during the six months ended 30 September 2025 divided by the weighted average number of shares in issue for the period was 0.11%.

As at 30 September 2025, a total of 68,100 shares (31 March 2025: 314,400 shares) were held in trust by the trustee under the Share Award Scheme of which 47,600 shares (31 March 2025: 39,300 shares) were held in trust by the trustee under the French Subplan which were granted to the eligible French employees of the Group and remain unvested. Dividends derived from the shares held under the said trust will be reinvested to acquire further shares.

During the six months ended 30 September 2025, share-based payment expenses of US\$1.9 million (31 March 2025: US\$3.7 million) in respect of the awarded shares were charged to the consolidated statement of profit or loss.

13 Fair Value Measurements of Financial Instruments

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 September 2025 and 31 March 2025.

Financial instruments carried at fair value

The Group's financial instruments are measured at fair value at the end of the relevant financial period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair values measured using significant unobservable inputs

13 Fair Value Measurements of Financial Instruments (Continued)

Financial instruments carried at fair value (Continued)

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position. All fair value measurements below are recurring.

	Fair value US\$ million	Fair value measurements categorised into		
		Level 1 US\$ million	Level 2 US\$ million	Level 3 US\$ million
At 30 September 2025 (Unaudited)				
Assets:				
Forward foreign exchange contracts	0.2	–	0.2	–
Investments	2.5	–	–	2.5
Liabilities:				
Forward foreign exchange contracts	(7.4)	–	(7.4)	–
At 31 March 2025 (Audited)				
Assets:				
Forward foreign exchange contracts	0.2	–	0.2	–
Investments	2.1	–	–	2.1
Liabilities:				
Forward foreign exchange contracts	(0.2)	–	(0.2)	–

During the six months ended 30 September 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 of the fair value hierarchy classifications. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward foreign exchange contracts in Level 2 is determined by discounting the difference between the forward exchange rates at the end of the reporting period and the contractual forward exchange rates.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Sensitivity to changes in significant unobservable inputs
Investments	Net asset value approach	Fair value of individual assets less liabilities of the business ("the Business Net Assets")	The estimated fair value would increase if the fair value of the Business Net Assets is higher
		Marketability discount of 10%	The estimated fair value would decrease if the marketability discount is higher

13 Fair Value Measurements of Financial Instruments (Continued)

Information about Level 3 fair value measurements (Continued)

As at 30 September 2025 and 31 March 2025, the fair value of investments is determined using net asset value and adjusted for the marketability discount.

As at 30 September 2025, it is estimated that with other variables held constant, an increase / decrease of 5% (31 March 2025: 5%) in each of the unobservable inputs would have increased / decreased the net assets as follows:

		Increase / (decrease) in net assets	
	Increase / (decrease) in unobservable input	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
Fair value of the Business	5%	0.1	0.1
Net Assets	(5%)	(0.1)	(0.1)
Marketability discount	5% (5%)	(0.1) 0.1	(0.1) 0.1

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
Investments:		
At the beginning of period / year	2.1	1.2
Fair value gain	0.4	0.9
At the end of period / year	2.5	2.1

14 Capital Commitments

	30 September 2025 (Unaudited) US\$ million	31 March 2025 (Audited) US\$ million
Capital commitments for property, plant and equipment:		
Authorised but not contracted for	20.9	35.9
Contracted but not provided for	3.9	6.1
	24.8	42.0

15 Contingent Liabilities

Certain subsidiaries of the Group are involved in litigation arising in the ordinary course of their respective businesses and are involved in certain accusations of infringements of intellectual property and complaints related to products liability. Having reviewed the outstanding claims and taking into account legal advice received, the Directors are of the opinion that even if the claims are found to be valid, there will be no material adverse effect on the financial position of the Group.

16 Approval of Interim Financial Report

The Interim Financial Report was approved by the Board on 13 November 2025.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as adopted by the Company, were as follows:

Name of Director	Number of ordinary shares			Equity Derivatives (Share Options) (Note 7)	Total	Approximate percentage of shareholding (Note 8)
	Personal Interest	Family Interest	Other Interest			
Allan WONG Chi Yun	14,254,276	–	74,101,153 (Note 1) 4,667,037 (Note 2)	250,000	93,272,466	36.85%
PANG King Fai	501,600	–	–	330,000	831,600	0.33%
Andy LEUNG Hon Kwong	781,600	–	–	550,000	1,331,600	0.53%
William WONG Yee Lai	–	–	74,101,153 (Notes 1 & 3)	–	74,101,153	29.28%
William FUNG Kwok Lun	449,430	5,000 (Note 4)	592,200 (Note 5)	–	1,046,630	0.41%
Patrick WANG Shui Chung	162,000	–	–	–	162,000	0.06%

Notes:

- (1) These shares were beneficially owned as to 1,416,325 shares by Honorex Limited ("Honorex"), as to 65,496,225 shares by Conquer Rex Limited ("Conquer Rex") and as to 7,188,603 shares by Twin Success Pacific Limited ("Twin Success"). Each of Honorex and Conquer Rex was wholly-owned by Twin Success. Twin Success was wholly-owned by Surplus Assets Limited ("Surplus Assets"). Surplus Assets was wholly-owned by Butterfield Trust (Asia) Limited ("Butterfield") which acts as the trustee of The Allan Wong 2020 Trust, a discretionary trust of which Dr. Allan WONG Chi Yun is the founder and one of the beneficiaries. Surplus Assets was therefore deemed to have an aggregate indirect interest in 74,101,153 shares and Twin Success was also deemed to have an aggregate indirect interest in 66,912,550 shares. Surplus Assets was wholly-owned by Butterfield which was deemed to be interested in 74,101,153 shares by virtue of the SFO.
- (2) These shares were held by a company wholly-owned by Dr. Allan WONG Chi Yun.
- (3) Mr. William WONG Yee Lai is one of the discretionary beneficiaries of The Allan Wong 2020 Trust, a discretionary trust of which Dr. Allan WONG Chi Yun is the founder. As a director of the Company and a discretionary beneficiary of The Allan Wong 2020 Trust, Mr. William WONG Yee Lai has a duty of disclosure under the SFO in relation to the shares held by Butterfield.
- (4) These shares were held by a company beneficially owned by the spouse of Dr. William FUNG Kwok Lun.
- (5) These shares were held by a company beneficially owned by Dr. William FUNG Kwok Lun.
- (6) All the interests stated above represented long positions.
- (7) Please also refer to note 12(b) to the Unaudited Interim Financial Report in this Interim Report for further details on the share options in which the Directors and chief executive of the Company were interested.
- (8) The approximate percentage of shareholding is calculated based on 253,109,133 shares of the Company in issue as at 30 September 2025.

Save as disclosed above, as at 30 September 2025, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholdings

As at 30 September 2025, other than the interests of the Directors and chief executive of the Company as disclosed above, shareholders who had interests or short positions in the shares and underlying shares of the Company of 5% or more which fell to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name of shareholder	Capacity	Number of ordinary shares (Note 3)	Approximate percentage of shareholding (Note 4)
Butterfield Trust (Asia) Limited	Trustee (Note 1)	74,101,153	29.28%
Surplus Assets Limited	Interest of controlled corporation (Note 1)	74,101,153	29.28%
Twin Success Pacific Limited	Interest of controlled corporations and beneficial owner (Notes 1 & 2)	74,101,153	29.28%
Honorex Limited	Beneficial owner (Note 1)	1,416,325	0.56%
Conquer Rex Limited	Beneficial owner (Note 1)	65,496,225	25.88%

Notes:

- (1) Please refer to Note (1) disclosed under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this Interim Report.
- (2) Twin Success was interested in 7,188,603 shares as beneficial owner and 66,912,550 shares as interest of controlled corporations.
- (3) All the interests stated above represented long positions.
- (4) The approximate percentage of shareholding is calculated based on 253,109,133 shares of the Company in issue as at 30 September 2025.

Save as disclosed above, as at 30 September 2025, the Company had not been notified by any persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company of 5% or more which fell to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

The Board and the management of VTech Holdings Limited (“VTech” or the “Company”) are committed to good corporate governance and the application of the principles including transparency, accountability and independence to achieve sustainable performance of the Company and enhance its value for the shareholders.

VTech and its subsidiaries (the “Group”) also recognise that a comprehensive corporate governance management structure is crucial in helping the Company to implement its strategies and policies effectively and consistently throughout the Group, and safeguard the long-term interests of its shareholders. The Group has also continuously reviewed its policies and procedures to ensure that the Group meets the requirements of the applicable laws and regulations, industry best practices, global trends, and market expectations.

Corporate Governance Practices

The corporate governance rules applicable to the Company are the Corporate Governance Code (the “CG Code”) set out in Appendix C1 to the Listing Rules. Throughout the six months ended 30 September 2025, the Company has complied with all the code provisions of the CG Code, except for the deviation from code provision C.2.1 of Part 2 of the CG Code.

Under code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Allan WONG Chi Yun has the combined role of Chairman and Group Chief Executive Officer. As more than half of the Board members are Independent Non-executive Directors, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. Furthermore, as Dr. Allan WONG Chi Yun is the founder of the Group and has substantial professional experience in the industry, the Board believes that the appointment of Dr. Allan WONG Chi Yun to the combined role of Chairman and Group Chief Executive Officer is beneficial to the sustainable development of the Group and the long-term interests of the shareholders.

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 41 to 76 of the Company’s 2025 Annual Report. The Corporate Governance Report explains how the Group applies the principles of good corporate governance as set out in the CG Code.

VTech is also committed to following the Environmental, Social and Governance (“ESG”) Reporting Code set out in Appendix C2 to the Listing Rules. A summary of the 2025 Sustainability Report is set out on pages 38 to 40 and pages 77 to 87 of the Company’s 2025 Annual Report and details of VTech’s ESG performance and reporting are set out in the Company’s 2025 Sustainability Report.

The Audit Committee reviewed and discussed with the external auditor and senior management of the Company the Group’s Unaudited Interim Financial Report and unaudited interim results for the six months ended 30 September 2025.

Directors’ Time and Directorship Commitments

The Directors have confirmed that they have given sufficient time and attention to the affairs of the Company during the six months ended 30 September 2025.

As at 30 September 2025, none of the Directors, individually, held directorships in more than four companies listed in Hong Kong (including the Company).

Risk Management and Internal Control

The Audit Committee and the Risk Management and Sustainability Committee have the delegated responsibilities from the Board to assure that effective risk management and internal control systems are in place and followed. Effective risk management plays an integral role in the overall achievement of the Group’s strategic objectives which are to ensure the long term resilience of the Group’s business. The Risk Management and Sustainability Committee continued to review the effectiveness of the Group’s risk management and internal control systems, and to monitor the sustainability performance progress during the six months ended 30 September 2025 and up to the date of this Interim Report. Details of the Group’s risk management and internal control systems were set out in the “Risk Management and Sustainability Committee Report” on pages 69 to 76 of the Company’s 2025 Annual Report.

Risk Management and Internal Control (Continued)

Furthermore, the Data Security Governance Board has reviewed and monitored the implementation and execution of the Data Security Policy and practices of the Group to ensure compliance with the latest privacy ordinances and data protection regulations in the various jurisdictions in which the Group operated during the six months ended 30 September 2025 and up to the date of this Interim Report. The Data Security Governance Board has also reviewed the progress of implementation of the data breach preventive measures, system technology enhancement and staff training for mitigating the Group's exposure to cybersecurity risks and meeting the industry standards.

Based on the information received from the management (including the Risk Management and Sustainability Committee and the Data Security Governance Board), the external auditor and the Internal Audit Department, the Audit Committee is satisfied that the risk management and internal control systems, and the internal audit function of the Group for the six months ended 30 September 2025 and up to the date of this Interim Report are effective and adequate.

Changes in the Information in respect of Directors

The changes in the information of the Directors required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules are set out below:

- Professor KO Ping Keung resigned as a director of Beken Corporation, the shares of which are listed on the Shanghai Stock Exchange with effect from 25 August 2025.

Model Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules regarding securities transactions for the Directors. The Model Code is also extended to apply to specified employees including the senior management of the Group. After having made specific enquiries, all Directors and specified employees confirmed that they had complied with the required standard of dealings set out in the Model Code regarding securities transactions throughout the six months ended 30 September 2025.

Interim Dividend

The Board has declared an interim dividend (the “Interim Dividend”) of US17.0 cents per ordinary share in respect of the six months ended 30 September 2025, payable on 19 December 2025 to the shareholders whose names appear on the register of members of the Company as at the close of business on 10 December 2025.

The Interim Dividend will be payable in United States dollars save that those shareholders with a registered address in Hong Kong will receive an equivalent amount in Hong Kong dollars which will be calculated at the rate of exchange as quoted to the Company by The Hongkong and Shanghai Banking Corporation Limited at its middle rate of exchange prevailing on 10 December 2025.

Closure of Register of Members

The register of members of the Company will be closed on 10 December 2025, on which no transfer of shares will be effected.

In order to qualify for the Interim Dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the share registrars of the Company for registration no later than 4:30 p.m. (the local time of the relevant share registrar) on 9 December 2025.

The principal share registrar of the Company is Appleby Global Corporate Services (Bermuda) Limited of Canon’s Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda and the branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

Purchase, Sale or Redemption of Listed Securities

The Company and its subsidiaries did not purchase, sell or redeem any of the Company’s listed securities during the six months ended 30 September 2025.

During the six months ended 30 September 2025, the trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme of the Company, purchased on the Stock Exchange a total of 275,000 shares of the Company for an aggregate consideration of approximately US\$1.9 million.

Board of Directors

Executive Directors

Allan WONG Chi Yun
(Chairman and Group Chief Executive Officer)
PANG King Fai
Andy LEUNG Hon Kwong

Non-executive Director

William WONG Yee Lai

Independent Non-executive Directors

William FUNG Kwok Lun
GAN Jie
KO Ping Keung
Patrick WANG Shui Chung
WONG Kai Man

Audit Committee

WONG Kai Man (Chairman)
William FUNG Kwok Lun
GAN Jie
KO Ping Keung
Patrick WANG Shui Chung

Nomination Committee

William FUNG Kwok Lun (Chairman)
GAN Jie
KO Ping Keung
Patrick WANG Shui Chung
WONG Kai Man
Allan WONG Chi Yun

Remuneration Committee

Patrick WANG Shui Chung (Chairman)
William FUNG Kwok Lun
KO Ping Keung
WONG Kai Man

Risk Management and Sustainability Committee

Allan WONG Chi Yun (Chairman)
PANG King Fai
Andy LEUNG Hon Kwong
WONG Kai Man
Hillson CHEUNG Hoi
Shereen TONG Ka Hung
CHANG Yu Wai

Company Secretary

CHANG Yu Wai

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office

23rd Floor, Tai Ping Industrial Centre, Block 1
57 Ting Kok Road
Tai Po, New Territories
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the
Accounting and Financial Reporting Council Ordinance

Share Listing

Shares of VTech Holdings Limited are:

- Listed on The Stock Exchange of Hong Kong Limited
- On the list of Eligible Securities for Southbound Trading under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

Stock Code

The Stock Exchange of Hong Kong Limited: 303

Financial Calendar

Closure of Register of Members: 10 December 2025

Payment of Interim Dividend: 19 December 2025

FY2026 Annual Results Announcement: May 2026

Share Information

Board lot: 100 shares

Issued shares as at 30 September 2025: 253,109,133 shares

Dividend

Dividend per ordinary share for the six months ended 30 September 2025: US17.0 cents per share

Share Registrars

Principal

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street
PO Box HM 1179, Hamilton HM EX
Bermuda

Hong Kong Branch

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong
Tel: +852 2862 8555
Fax: +852 2865 0990
Enquiries: www.computershare.com/hk/en/online_feedback

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偉易達集團

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