

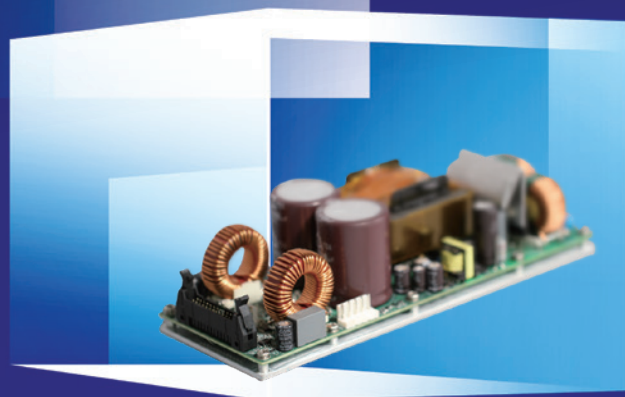
KEEN OCEAN INTERNATIONAL HOLDING LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 8070



2026 INTERIM REPORT



Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

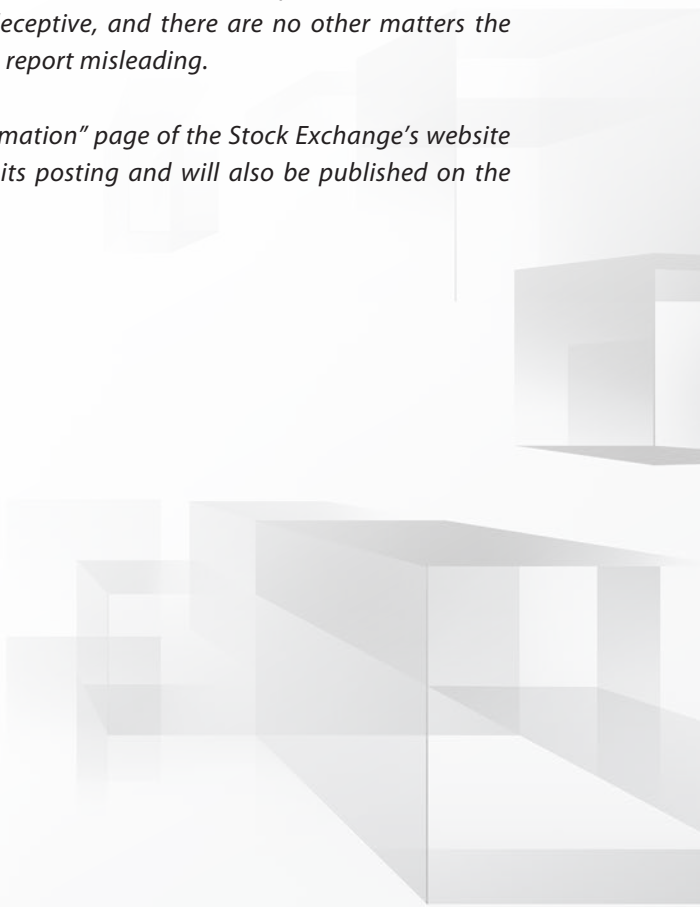
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*This report, for which the directors (the “**Directors**”) of Keen Ocean International Holding Limited (the “**Company**” or “**Our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

This report will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and will also be published on the Company’s website at www.keenocan.com.hk.





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive directors

Mr. Chung Chi Wah (*Chairman*)
Mr. Chung Tin Shing
Mr. Wong Shek Fai, Johnson

Independent non-executive directors

Mr. Cheung Yee Tak, Jonathan
Mr. Lam Chon Loi
Ms. Fu Jingyan

COMPANY SECRETARY

Ms. Chau Hing Ling

COMPLIANCE OFFICER

Mr. Wong Shek Fai, Johnson

BOARD COMMITTEES

Audit committee

Mr. Cheung Yee Tak, Jonathan (*Chairman*)
Mr. Lam Chon Loi
Ms. Fu Jingyan

Nomination committee

Ms. Fu Jingyan (*Chairlady*)
Mr. Lam Chon Loi
Mr. Chung Tin Shing

Remuneration committee

Mr. Lam Chon Loi (*Chairman*)
Mr. Cheung Yee Tak, Jonathan
Mr. Chung Chi Wah

Risk management committee

Mr. Chung Tin Shing (*Chairman*)
Mr. Wong Shek Fai, Johnson
Mr. Lam Chon Loi

AUTHORISED REPRESENTATIVES

Mr. Chung Chi Wah
Mr. Chung Tin Shing

COMPANY'S WEBSITE

<http://www.keenocan.com.hk>

AUDITOR

WM CPA Limited
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REGISTERED OFFICE

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P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN CHINA

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South of Keqi Road
High-tech Development Zone
Heyuan City
Guangdong Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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New Territories
Hong Kong

PRINCIPAL BANKERS

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Hong Kong

DBS Bank (Hong Kong) Limited
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Hong Kong

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

STOCK CODE

8070

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the period under review, the Group principally engaged in the design, development, production and sale of transformers, switching mode power supplies, electric healthcare products and other electronic parts and components. The Group sells its products domestically as well as overseas. Customers are mainly manufacturers and trading entities.

Most of the transformers and power supply products were manufactured and sold under the Group's brand name "Keen Ocean", while all electronic parts and components as well as electric healthcare products were sold on an original equipment manufacturer (OEM) basis. Among the products manufactured and sold, transformers represented approximately 27.2% of the Group's sales for the six months ended 30 June 2026 (for the six months ended 30 June 2025: approximately 49.0%). The switching mode power supply represented approximately 1.0% of the Group's sales for the six months ended 30 June 2026 (for the six months ended 30 June 2025: approximately 1.1%). The electronic parts and components represented approximately 71.8% of the Group's sales for the six months ended 30 June 2026 (for the six months ended 30 June 2025: approximately 49.9%).

Revenue generated by the Group increased during the period under review as compared to the corresponding period in the previous year. This was mainly driven by an uptick in customer demand.

Cost of sales increased during the period under review in line with the increase in sales.

The operating margin has increased during the period under review compared with the same period in 2025. This was mainly attributable to the product mix shift towards high margin offering during the period under review.

During the period under review, the management of the Group stayed connected with existing customers and closely followed up with the revised delivery schedule in order to maintain and solidify business relationships. The Group continued to place advertisements in renowned industrial magazines. To further promote its products the Group has been attending trade exhibitions, physical marketing events and face-to-face meetings with existing and potential customers.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's revenue increased by approximately HK\$77.5 million, or 56.5%, from approximately HK\$137.1 million for the six months ended 30 June 2025 to approximately HK\$214.6 million for the six months ended 30 June 2026. Such increase was primarily driven by an uptick in customer demand.

Cost of sales increased by approximately HK\$52.8 million, or 49.1%, from approximately HK\$107.5 million for the six months ended 30 June 2025 to approximately HK\$160.3 million for the six months ended 30 June 2026. The increase was in line with the increase in revenue during the period under review.

As a result, the Group's gross profit increased by approximately HK\$24.7 million, or 83.4%, from approximately HK\$29.6 million for the six months ended 30 June 2025 to approximately HK\$54.3 million for the six months ended 30 June 2026, while gross profit margin increased from 21.6% for the six months ended 30 June 2025 to 25.3% for the six months ended 30 June 2026. Such increase was mainly attributable to the shift in product mix towards higher-margin offerings during the period under review as compared with the same period in 2025.

Other income decreased by approximately HK\$2.08 million or 45.1%, from approximately HK\$4.61 million for the six months ended 30 June 2025 to approximately HK\$2.53 million for the six months ended 30 June 2026. Such decrease was mainly attributable to the decrease in non-operating income from trading of machinery and production material during the period under review.

Other loss increased by approximately HK\$0.15 million, or 5.4%, from a loss of approximately HK\$2.78 million for the six months ended 30 June 2025 to a loss of approximately HK\$2.93 million for the six months ended 30 June 2026. Such increase was mainly attributable to the increase in exchange loss during the period under review.

Selling and distribution expenses increased by approximately HK\$1.45 million or 33.6%, from approximately HK\$4.32 million for the six months ended 30 June 2025 to approximately HK\$5.77 million for the six months ended 30 June 2026. Such increase was mainly attributable to inflation and corresponding increase in expenses as a result of the increase in revenue during the period under review.

Administrative expenses increased by approximately HK\$4.1 million, or 25.6%, from approximately HK\$16.0 million for the six months ended 30 June 2025 to approximately HK\$20.1 million for the six months ended 30 June 2026. The increase was mainly attributable to inflation during the period under review.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs increased by approximately HK\$0.03 million, or 5.4%, from approximately HK\$0.56 million for the six months ended 30 June 2025 to approximately HK\$0.59 million for the six months ended 30 June 2026. Such increase was mainly attributable to the increase in bank loans during the period under review.

Income tax expenses increased by approximately HK\$2.8 million, or 164.7%, from approximately HK\$1.7 million for the six months ended 30 June 2025 to approximately HK\$4.5 million for the six months ended 30 June 2026. Such increase was mainly attributable to the increase in profit during the period under review.

As a result of the above, the Group recorded a profit of approximately HK\$23.0 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: approximately HK\$8.8 million).

PROSPECT

Under global economic challenges, the Group has identified several strategies to overcome these challenges.

Owing to the rising demand of clean energy electronic components, the Group has invested greatly into machines and production lines for the production of inverters which are one of the major component parts in solar or wind energy systems. This paves a good foundation for cooperation with one of our biggest customers in Europe on an OEM basis. We have developed several series of models with this customer, and it is expected that sales will increase in the next few months because of these new models. We also produced transformers for inverters for other customers worldwide. We will continue to search for customers in this field as it is one of the fastest growing markets.

The Group has made use of existing technology to develop production lines of inductors for the electric vehicle market. Pilot production has been completed in the first half of this year. We expect that more and more customers will approach us for this product.

We have identified a strategic production partner in Vietnam. Trial orders have been placed with this partner for our US customers. This strategic direction will assist to limit the impact of the US tariffs and enable us to be more competitive in the US market.

Last but not least, the Group will take all appropriate measures to maximize the efficiency and effectiveness of production processes and to minimize production costs.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group's source of funds was primarily from the cash generated from operating activities. The Group also utilised bank borrowings to finance its operations. As at 30 June 2026, the Group had a healthy financial position with net assets amounted to approximately HK\$159.9 million (31 December 2025: approximately HK\$126.2 million). Net current assets stood at approximately HK\$112.9 million (31 December 2025: approximately HK\$79.7 million).

As at 30 June 2026, equity attributable to owners of the Company amounted to approximately HK\$159.9 million (31 December 2025: approximately HK\$126.3 million). Current assets amounted to approximately HK\$275.1 million (31 December 2025: approximately HK\$232.4 million), mainly comprising inventories, trade and other receivables and prepayments, amount due from a related party, pledged bank deposits, short-term deposits, and bank and cash balance. Current liabilities amounted to approximately HK\$162.2 million (31 December 2025: approximately HK\$152.7 million), mainly comprising trade and other payables and accruals, contract liabilities, bank borrowings and overdrafts, lease liabilities and current tax liabilities.

As at 30 June 2026, the Group's bank and cash balance amounted to approximately HK\$21.7 million (31 December 2025: approximately HK\$13.7 million). Net asset value per share was HK\$0.80 (31 December 2025: HK\$0.63).

As at 30 June 2026, the gearing ratio of the Group, which is based on the ratio of interest bearing borrowings net of bank and cash balance and short-term deposits to total equity, and the Group's gearing ratio was zero as the bank and cash balances and short-term deposits can cover the bank loans and overdrafts of the Group (31 December 2025: zero).

The Group's source of funds is a combination of cash generated from operating activities, bank borrowings and net proceeds from other funds raised from the capital market from time to time.

CAPITAL EXPENDITURE

As at 30 June 2026, the Group's financial capital expenditures were approximately HK\$4.0 million. This amount was primarily due to the addition in plant and equipment. As at 30 June 2025, the Group's financial capital expenditures (from acquired property, plant, and equipment) were approximately HK\$4.2 million. For the year ended 31 December 2025, the Group incurred capital expenditures in respect of property, plant, and equipment additions, amounting to approximately HK\$11.5 million.

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

The Group maintains a prudent funding and treasury policy and the management is responsible for monitoring its funding requirements and performing ongoing liquidity review. As at 30 June 2026, the issued share capital of the Company comprised only ordinary shares. The capital structure of the Group mainly consists of borrowings from bank and equity attributable to owners of the Group, comprising issued share capital and retained earnings respectively. Borrowings from bank were denominated in Hong Kong dollars and were repayable on demand or within one year, and were secured by pledged bank deposits and trade receivables of the Group. The range of effective interest rates on the Group's bank loans and overdrafts as at 30 June 2026 and as at 31 December 2025 was 3.12% to 6.60%.

FOREIGN EXCHANGE EXPOSURE

The sales of the Group are mainly denominated in US dollars. However, the Group has certain foreign currency sales and purchases transactions denominated in Renminbi and Hong Kong dollars, which may expose the Group to foreign currency risk. The Group currently has no foreign currency hedging policy and the management of the Group monitors the foreign exchange exposure by closely monitoring the movement of foreign currency rates. Nevertheless, the Group will consider hedging significant foreign currency exposure should the need arise.

SIGNIFICANT INVESTMENT HELD

As at 30 June 2026, the Group did not have any significant investment held (31 December 2025: nil).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

CAPITAL COMMITMENT

As at 30 June 2026, the Group did not have any significant capital commitment (31 December 2025: nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2026, the Group had approximately 597 employees (31 December 2025: approximately 568 employees), including the Directors. Total staff costs excluding Directors' remuneration for the six months ended 30 June 2026 amounted to approximately HK\$32.3 million (for the six months ended 30 June 2025: approximately HK\$26.8 million). Remuneration packages including staff benefits are maintained at a competitive level and reviewed on a periodic basis. Employees' remuneration and related benefits are determined with reference to their performance, qualifications, experience, positions and the performance of the Group. Ongoing training on quality control and production facilities operations is provided to employees, with relevant procedural and operational guidelines formulated.

MANAGEMENT DISCUSSION AND ANALYSIS

CHARGES ON THE GROUP'S ASSETS

The following assets of the Company were pledged at the end of the reporting period for certain banking facilities granted to the Company:

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Land and buildings	9,129	20,596
Pledged bank deposits	6,536	10,443
Trade receivables	2,392	6,334
	18,057	37,373

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 June 2026, the Group did not have any material acquisitions nor disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

In view of the Chinese economic recovery, the Group has surplus cash funds from its business operations. As a result, there is a growing need for treasury management to improve the Group's overall capital efficiency, hence the Group may invest not more than 30% of its cash-in-hand at any material time in short-term and low-risk investments in listed securities in Hong Kong as well as other related investment products offered by banks and other financial institutions subject to certain conditions. Such conditions include, but are not limited to, all securities invested by the Group should not exceed an investment period of twelve months; the aggregate amount of funds to be invested in any securities should not exceed the cashflow needs of the Group for the next six months at any material time and detailed descriptions of the securities should be submitted for consideration and prior approval at the meetings of the Board. Funding for these investments will come from idle funds and will not impact the Group's operational liquidity and fund security.

Other than the above, the Group did not have any plans for material investments and capital assets.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

The board of Directors (the “**Board**”) is pleased to present the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025 as follows:

		For the six months ended 30 June	
	Notes	2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Revenue	3	214,646	137,077
Cost of sales		(160,325)	(107,508)
Gross profit		54,321	29,569
Other income	4	2,525	4,613
Other (loss)/gain	5	(2,927)	(2,777)
Selling and distribution expenses		(5,770)	(4,324)
Administrative expenses		(20,085)	(16,003)
Finance costs	6	(588)	(556)
Profit before taxation		27,476	10,522
Income tax expense	7	(4,500)	(1,722)
Profit for the period	8	22,976	8,800
Other comprehensive expenses after tax:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		10,700	710
Total comprehensive income for the period		33,676	9,510
Profit for the period attributable to:			
Owners of the Company		22,984	8,797
Non-controlling interests		(8)	3
		22,976	8,800
Total comprehensive income for the period attributable to:			
Owners of the Company		33,684	9,507
Non-controlling interests		(8)	3
		33,676	9,510
Earnings per share			
Basic and diluted (HK cents)	9	11.49	4.40

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	As at 30 June 2026 HK\$'000 (unaudited)	As at 31 December 2025 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	11	46,216	45,045
Right-of-use assets		752	1,505
		46,968	46,550
Current assets			
Inventories		85,820	42,462
Trade and other receivables and prepayments	12	73,625	105,947
Amount due from a related party		438	178
Investments at fair value through profit or loss		7,171	–
Pledged bank deposits		6,536	10,443
Short-term deposits		79,825	59,675
Bank and cash balances		21,715	13,680
		275,130	232,385
Current liabilities			
Trade and other payables and accruals	13	120,628	99,551
Contract liabilities		10,649	28,812
Bank loans and overdrafts		22,156	13,479
Lease liabilities		798	1,577
Current tax liabilities		7,959	9,284
		162,190	152,703
Net current assets		112,940	79,682
Net assets		159,908	126,232
Capital and reserves			
Share capital	14	2,000	2,000
Reserves		157,941	124,257
Equity attributable to owners of the Company		159,941	126,257
Non-controlling interests		(33)	(25)
TOTAL EQUITY		159,908	126,232

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company					Non-		Total equity HK\$'000
	Share capital HK\$'000	Share Premium HK\$'000	Special reserve HK\$'000	Retained profits HK\$'000	Translation reserve HK\$'000	Total	Controlling Interests HK\$'000	
At 1 January 2025 (audited)	2,000	24,973	3,000	56,608	(1,818)	84,763	(26)	84,737
Profit and total comprehensive income/(expense) for the period (unaudited)	–	–	–	8,797	710	9,507	3	9,510
At 30 June 2025 (unaudited)	<u>2,000</u>	<u>24,973</u>	<u>3,000</u>	<u>65,405</u>	<u>(1,108)</u>	<u>94,270</u>	<u>(23)</u>	<u>94,247</u>
At 1 January 2026 (audited)	2,000	24,973	3,000	97,563	(1,279)	126,257	(25)	126,232
Profit and total comprehensive income/(expense) for the period (unaudited)	–	–	–	<u>22,984</u>	<u>10,700</u>	<u>33,684</u>	<u>(8)</u>	<u>33,676</u>
At 30 June 2026 (unaudited)	<u>2,000</u>	<u>24,973</u>	<u>3,000</u>	<u>120,547</u>	<u>9,421</u>	<u>159,941</u>	<u>(33)</u>	<u>159,908</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	27,065	13,884
Net cash generated from/(used in) investing activities	(26,082)	2,373
Net cash used in financing activities	7,052	(8,602)
Net increase in cash and cash equivalents	8,035	7,655
Cash and cash equivalents at beginning of period	13,680	6,130
Cash and cash equivalents at end of period	21,715	13,785
Analysis of cash and cash equivalents		
Bank and cash balances	21,715	13,785

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

These unaudited condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2026. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior year.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRS would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The Group’s operation is solely derived from the manufacture and sale of transformers, switching mode power supply, electronic parts and components, and electric healthcare products during the reporting periods. For the purpose of resource allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Company) reviewed the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as those adopted in the financial statements for the year ended 31 December 2025. Accordingly, the Group has a single operating segment and no further analysis of this single segment is presented.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

An analysis of the Group's revenue from its major products is as follows:

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Sales of transformers	58,335	67,162
Sales of switching mode power supply	2,080	1,505
Sales of electronic parts and components	154,231	68,410
Revenue from contracts with customers	214,646	137,077

Disaggregation of revenue from contracts with customers:

Geographical information

The Group's operation is located in the People's Republic of China (the "PRC"). Information about the Group's revenue is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	For the six months ended		As at	As at
	30 June		30 June	31 December
	2026	2025	2026	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Hong Kong	2,210	1,620	20,911	21,180
PRC	23,373	25,325	26,057	25,370
Europe	146,103	59,169	–	–
United States	13,925	11,973	–	–
India	21,112	33,549	–	–
Others	7,923	5,441	–	–
	214,646	137,077	46,968	46,550

All timing of revenue recognition is at a point in time for the six months ended 30 June 2026 and 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. OTHER INCOME

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank interest	1,373	1,188
Other income	781	3,220
Government incentive	–	205
Investment income	371	–
	<u>2,525</u>	<u>4,613</u>

5. OTHER (LOSS)/GAIN

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Fair value gain on investment through profit/(loss)	–	31
Net exchange (loss)/gain	(2,927)	(2,808)
	<u>(2,927)</u>	<u>(2,777)</u>

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Leases interests	30	66
Interest on bank borrowings	558	490
	<u>588</u>	<u>556</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	2,830	552
PRC Enterprise Income Tax	1,670	1,170
	4,500	1,722

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the six months ended 30 June 2026 and 2025.

Under the PRC Enterprise Income Tax Law (the “**EIT Law**”) and its Implementation Regulations, He Yuan Sky Wealth Electronic and Plastic Co., Ltd. (“**He Yuan Sky Wealth**”) an indirect wholly-owned subsidiary of the Company, obtained “High and New Technology Enterprise” (“**HNTE**”) status on 19 December 2022. Accordingly, He Yuan Sky Wealth was entitled to a preferential tax rate of 15% for the period from 1 January 2022 to 31 December 2024. The preferential tax rate was subsequently extended for a further 3 years. As a result, the applicable tax rate for He Yuan Sky Wealth was 15% for the six months ended 30 June 2026 and 2025.

8. PROFIT FOR THE PERIOD

The Group’s profit for the period has been arrived at after charging the following:

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Directors’ emoluments	1,348	985
Cost of inventories sold	160,325	107,508
Depreciation of plant and equipment	2,870	1,848
Depreciation of right-of-use assets	752	752
Research and development expenses	8,398	6,378
Staff costs	32,349	26,830

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

9. EARNINGS PER SHARE

	For the six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Earnings for the period attributable to owners of the Company (HK\$'000)	22,984	8,797
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (Note)	<u>200,000,000</u>	<u>200,000,000</u>

Note:

No diluted earnings per share is presented for the six months ended 30 June 2026 and 2025 since there were no potential diluted ordinary shares in issue during both periods.

10. DIVIDENDS

No interim dividend was paid, declared or proposed for the six months ended 30 June 2026 (30 June 2025: nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired property, plant and equipment of approximately HK\$4,041,000 (six months ended 30 June 2025: HK\$4,235,000) and depreciation amounting to approximately HK\$2,870,000 was provided during the period (six months ended 30 June 2025: HK\$1,848,000).

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period:

	30 June 2026	31 December 2025
	HK\$'000	HK\$'000
	(unaudited)	(audited)
0 – 90 days	47,321	67,391
91 to 180 days	3,982	12,531
181 to 365 days	–	1,128
Over 1 year	–	–
	<u>51,303</u>	<u>81,050</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. TRADE AND OTHER PAYABLES AND ACCRUALS

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

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
0 – 90 days	101,546	88,214
91 to 180 days	91	98
181 to 365 days	80	91
Over 1 year	51	77
	101,768	88,480

14. SHARE CAPITAL

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Authorised		
1,000,000,000 ordinary shares of HK\$0.01 each	10,000	10,000
Issued and fully paid		
200,000,000 ordinary shares of HK\$0.01 each	2,000	2,000

15. CAPITAL COMMITMENT

The Group had no material capital commitment as at 30 June 2026 and 31 December 2025.

16. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2026 and 31 December 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. RELATED-PARTY TRANSACTIONS

(a) The Group had the following balances with connected and related parties at the end of the reporting period

	30 June 2026 HK\$'000 (unaudited)	31 December 2025 HK\$'000 (audited)
Amount due from a related party:		
Sure Win Garment Limited*	438	178
Amount due to a connected person/related party		
T-Lab Electronics & Plastics (He Yuan) Co., Ltd.**	4,801	3,933
Yield Speed Limited***	4	4

* The beneficial owner of Sure Win Garment Limited is Mr. Chung Chi Wah, an executive Director. The amount is trade in nature, unsecured, interest-free and repayable on demand.

** The beneficial owner of T-Lab Electronics & Plastics (He Yuan) Co., Ltd. is Mr. Chung Chi Hang, Larry, a former executive director of the Company, and Mr. Chung Tin Shing is the common director of T-Lab Electronics & Plastics (He Yuan) Co., Ltd. and the Company. The amount is trade in nature, unsecured, interest-free and repayable on demand.

*** The beneficial owner of Yield Speed Limited is Mr. Chung Chi Hang, Larry, a former executive director of the Company, and Mr. Chung Tin Shing and Mr. Chung Chi Wah are common directors of Yield Speed Limited and the Company. The amount is trade in nature, unsecured, interest-free and repayable on demand.

(b) The Group entered into the following transactions with related parties during the reporting period:

	For the six months ended 30 June 2026 HK\$'000 (unaudited)	2025 HK\$'000 (unaudited)
Rental paid to a related company		
T-Lab Electronics & Plastics (He Yuan) Co., Ltd	848	744

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2026

(c) Compensation of key management personnel:

The emoluments of Directors and other members of key management for the reporting periods were as follows:

	For the six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and other benefits	1,741	1,307
Retirement benefit contributions	40	39
	1,781	1,346

The emoluments of Directors and key management are determined with reference to the performance of individuals and market trends.

18. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 were approved and authorised for issue by the Board on 24 August 2026.

DISCLOSURE OF INTERESTS**(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or the associated corporations**

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

Long position in ordinary shares of HK\$0.01 each of the Company

Name of Director	Capacity/ Nature of interest	Number of shares interested	Approximate percentage of shareholding in the Company as at 30 June 2026
Mr. Chung Chi Wah*	Interest of a controlled corporation	126,260,000	63.13%
Mr. Chung Tin Shing	Beneficial interest	14,000,000	7.00%

* These shares are held by Century Lead International Limited, 100% shareholding of which is owned by Mr. Chung Chi Wah. Mr. Chung Chi Wah is deemed to be interested in the shares held by Century Lead International Limited under the SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

OTHER INFORMATION

(b) Interests and short positions of the substantial shareholders of the Company in the shares and underlying shares of the Company

Long position in ordinary shares of HK\$0.01 each of the Company

Name of Shareholder	Capacity/ Nature of interest	Number of shares interested (Note 1)	Approximate percentage of shareholding in the Company as at 30 June 2026
Mr. Chung Chi Wah	Interest of a controlled corporation	126,260,000	63.13%
Century Lead International Limited	Beneficial owner	126,260,000	63.13%

Note:

- These shares are held by Century Lead International Limited, 100% shareholding of which is owned by Mr. Chung Chi Wah. Mr. Chung Chi Wah is deemed to be interested in the shares held by Century Lead International Limited under the SFO.

Save as disclosed above, as at 30 June 2026, the Directors and chief executive of the Company were not aware of any person, other than a Director or chief executive of the Company, or a corporation having an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

CHANGES IN THE BOARD AND THE DIRECTOR'S INFORMATION

There were no changes in the Board and the information of the Directors since the date of the Company's annual report for the year ended 31 December 2025.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 2 February 2016 for the purpose of motivating the Eligible Participants (as defined below) to optimize their performance efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. "**Eligible Participants**" refer to (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; or (ii) any directors (including executive, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; or (iii) any advisers, consultants, suppliers, customers, agents and related entities to the Company or any of its subsidiaries.

The maximum number of shares of the Company (the “**Shares**”) in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the placing of Shares in 2016 (as described in the Company’s prospectus dated 17 February 2016), being 20,000,000 Shares. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company to each Eligible Participant (including exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. There is no minimum period for which an option must be held before it can be exercised. However, a grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the official closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant of the relevant option; and
- (c) the average of the official closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant of the relevant option.

The Share Option Scheme was valid and effective for a period of 10 years from the date of its adoption, after which no further options could be granted or offered but the provisions of the Share Option Scheme would remain in force and effect in all other respects. All options granted prior to the expiry of the Share Option Scheme and not then exercised would continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

The Share Option Scheme expired on 2 February 2026. No share options were outstanding under the Share Option Scheme as at 1 January 2026. No share options were granted, exercised, vested, cancelled or lapsed under the Share Option Scheme during the period from 1 January 2026 to 30 June 2026 and there were no outstanding share options under the Share Option Scheme as at 30 June 2026 and up to the date of this report. Given that no share option has been granted under the Share Option Scheme during the reporting period, it is not applicable for the Company to set out the number of shares that may be issued in respect of the share options granted under such scheme during the reporting period divided by the weighted average number of shares of the relevant class in issue for the reporting period. The total number of share options available for grant under the Share Option Scheme as of 1 January 2026 and 30 June 2026 were 20,000,000 (representing 10% of the issued share capital of the Company as at 1 January 2026) and zero (representing 0% of the issued share capital of the Company as at 30 June 2026) respectively.

OTHER INFORMATION

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in this report, at no time during the period from 1 January 2026 to 30 June 2026 (the “**Period**”) was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interests or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

The Group had no significant event after the end of the reporting period and up to the approval date of this report.

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help balance the interests of the shareholders, customers and employees of the Group. The Company has applied the principles of the Corporate Governance Code of Appendix C1 of the GEM Listing Rules (the “**CG Code**”) and adopted the code provisions set out in part 2 of the CG Code as its own code to govern its corporate governance practices to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner.

During the period from 1 January 2026 to 30 June 2026, the Company has complied with all code provisions set out in part 2 of the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all Directors, and all of them confirmed that they had complied with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the reporting period.

COMPETITION AND CONFLICT OF INTERESTS

As far as the Directors are aware, none of the Directors or the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interests which competes or may compete, either directly or indirectly, with the business of the Group or had or may have any other conflict of interests with the Group during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) on 2 February 2016, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Cheung Yee Tak, Jonathan (the chairman of the Audit Committee), Mr. Lam Chon Loi and Ms. Fu Jingyan. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026. There is no disagreement by the Audit Committee with the accounting treatment adopted by the Company.

RISK MANAGEMENT COMMITTEE

The risk management committee of the Board (the “**Risk Management Committee**”) was established on 2 February 2016, with specific written terms of reference for assisting the Board in overseeing (i) risk governance structure; and (ii) hedging policies including its activities in forward purchases of copper and entering into the relevant contracts. The Risk Management Committee currently comprises a total of three members, being two executive Directors, namely Mr. Chung Tin Shing (the chairman of the Risk Management Committee) and Mr. Wong Shek Fai, Johnson, and one independent non-executive Director, namely Mr. Lam Chon Loi. Following the adoption of a new set of hedging policy on 29 September 2021, the Risk Management Committee is responsible for reviewing and approving the hedging policies as formulated by the hedging team of the Company and reporting to the Board as to whether the hedging policies have been duly followed by the management of the Company.

OTHER INFORMATION

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE GEM LISTING RULES

Save as disclosed in this report, the Company does not have any other disclosure obligations under Rules 17.22, 17.23 and 17.24 of the GEM Listing Rules.

By order of the Board
Keen Ocean International Holding Limited
Chung Chi Wah
Chairman

Hong Kong, 24 August 2026

As at the date of this report, the executive Directors are Mr. Chung Chi Wah, Mr. Chung Tin Shing and Mr. Wong Shek Fai, Johnson; and the independent non-executive Directors are Mr. Cheung Yee Tak, Jonathan, Mr. Lam Chon Loi and Ms. Fu Jingyan.