COWELL

Cowell e Holdings Inc.

高偉電子控股有限公司



(Incorporated in the Cayman Islands with limited liability) Stock Code: 1415 ++ ++ ++ 2025 INTERIM REPORT COWELL

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Corporate Information



COMPANY NAME

Cowell e Holdings Inc.

PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

STOCK CODE

1415

STOCK NAME

Cowell

BOARD OF DIRECTORS

Executive Directors

Mr. Meng Yan (Chairman) Mr. Wu Ying-Cheng

Non-executive Directors

Mr. Chen Han-Yang Mr. Yang Li

Independent Non-executive Directors

Ms. Su Yen-Hsueh Mr. Tsai Chen-Lung

Ms. Liu Xia

COMPANY SECRETARY

Ms. Lam Wing Yan

AUTHORIZED REPRESENTATIVES

Mr. Chen Han-Yang Ms. Lam Wing Yan

AUDIT COMMITTEE

Ms. Liu Xia (Chairman) Ms. Su Yen-Hsueh Mr. Tsai Chen-Lung

REMUNERATION COMMITTEE

Ms. Su Yen-Hsueh (Chairman)

Mr. Tsai Chen-Lung

Ms. Liu Xia

NOMINATION COMMITTEE

Mr. Tsai Chen-Lung (Chairman)

Ms. Su Yen-Hsueh

Ms. Liu Xia

REGISTERED OFFICE

PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands

Corporate Information



HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

No. 1 Songbai Road Huanan Industrial Zone Liaobu Town Dongguan City Guangdong Province People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1620 16/F, Ocean Centre 5 Canton Road Tsimshatsui Kowloon Hong Kong

AUDITOR

KPMG Public I

Public Interest Entity Auditor
registered in accordance with the Accounting and
Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISOR

Reed Smith Richards Butler LLP 17/F, One Island East Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited PO Box 1093 Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation Limited China Merchants Bank Co., Ltd.

COMPANY WEBSITE

www.cowelleholdings.com





Cowell e Holdings Inc. (the "Company", together with its subsidiaries, the "Group") is a supplier of delicate optical modules for electronic mobile devices. It engages in the design, development, manufacture and sale of a variety of modules and systems integration products that are used in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands.

The Group has continuously explored the business of precision optical modules deeply, focusing on product improvement and technological innovation to meet the changing demands of customers and the market. Despite the complex macroeconomic environment, with the market demand for precision optical components remaining strong and the Group's continuous breakthroughs in the fields of smart driving and high-end mobile devices, there were steady growth in various performance indicators of the Company, demonstrating strong market competitiveness and risk resistance.

In the fiscal year of 2025, the Group continued to focus on technological innovation and product upgrades, actively expanding into emerging markets and multi-dimensional application scenarios, while deepening strategic synergies with its partners. These measures allow the Group to maintain its stability and advantages in this competitive market, thereby achieving stable business growth. The effect of these initiatives is positively reflected on the relevant figure of the financial statements of the Group, recording an increase in revenue for the six months ended 30 June 2025 the ("**Reporting Period**") as compared to the corresponding period of 2024.

The Group's revenue amounted to approximately US\$1,360.3 million in the Reporting Period as compared with approximately US\$585.9 million in the first half of 2024, representing an increase by approximately 132.2% as compared with that in the same period of 2024, which was mainly due to increased orders including orders for new rear camera modules from customers.

The Group's net profit amounted to approximately US\$67.4 million in the Reporting Period as compared with approximately US\$16.6 million in the first half of 2024.



OUTLOOK AND FUTURE STRATEGIES

According to the report titled "World Economic Situation and Prospects 2025 (Mid-Year Update)" (《2025年全球經濟形勢與前景年中更新》) released by the United Nations, the global economic prospects have been deteriorating significantly since the January 2025 forecast. Uncertainties in tariffs and trade policies put pressures on supply chains and increased the production costs of enterprises, which led to slowdown of corporate investment and caused huge impacts on developed and developing economies. The report projected the global economic growth will slow down to 2.4%, representing a significant slowdown from the growth rate of 2.9% in 2024. In terms of global trade, as affected by tariff policies, it is estimated that global trade growth will plunge from 3.3% in 2024 to 1.6% in 2025. Overall weak trade, heightened trade policies uncertainties, high interest rate and restriction on fiscal space will continue to affect investment activities and production activities, thereby affecting businesses across various sectors. Although the level of inflation exhibited a general downward trend but at a slow pace, changes in tariffs, disruption of supply chains, climate changes and other factors will put upward pressure on commodity prices.

In the face of global economic uncertainties and the demands for industrial upgrade, we are deeply aware that the Company must continue to increase its investment in research and development, strive to promote the mass production of new products and optimize supply chains, collaborate with outstanding domestic and international partners, effectively improve product quality and market response speed, and rely on precision optical technology and innovative applications, in order to further consolidate its competitive advantages in the global market and achieve significant breakthroughs in various rapidly growing fields, such as smartphones, multimedia tablets, smart driving, augmented reality and automation.

With the continuous breakthroughs and refinements of Artificial Intelligence ("AI") technology, the global industry is undergoing an unprecedented wave of digital transformation which will have a profound impact on the Company's future development. Leveraging the strength of AI in big data analysis, machine learning and automation technologies, the Company will be able to achieve more efficient quality control and intelligent optimization in the design and manufacturing process of precision optical modules, thereby enhancing product performance and market response speed.

With the rapid advancement of AI, terminal products such as smartphones and multimedia tablets are facing unprecedented iterations and improvement. The integration of AI not only promotes the innovation of product functions and performance, but also accelerates replacement pace, thus leading to a significant increase in demand for core components like high-precision optical components. Meanwhile, the integration of AI with Augmented Reality ("AR")/ Virtual Reality ("VR"), Light Detection And Ranging ("LiDAR"), robotics and other emerging technologies will drive the fast implementation of new applications scenarios, facilitate cross-domain innovations and lead to more breakthroughs in fields like smart device, smart driving and smart city, which will create bigger market opportunities for the Company, strengthen its competitive edges and explore the wider market, creating significant business value against the backdrop of the new round of technological revolution in the future.



In response to the rapid development of AI, machine vision and multi-sensor fusion technology, the robotics industry is expanding from traditional industrial applications to various scenarios, such as smart city, healthcare and consumer services. Under this trend, the Company will become an indispensable technical support for the intelligent application of robots by virtue of its profound accumulation in the field of high-precision optical sensory products like optical camera modules and LiDAR. The application of optical sensory products is crucial to the robotics industry, which will also drive the development of the global optical industry.

Applications of LiDAR have also been expanding in recent years, with demands for high-precision sensory technology in fields such as autonomous driving, industrial automation, machine vision, intelligent transportation and so on continue to grow. According to market forecasts, the global LiDAR market will expand rapidly at a compound annual growth rate ("CAGR") of 14.7% to reach US\$3.795 billion by 2031. In the face of this development trend, by leveraging on its technological advantages in the field of optical sensory, the Company has proactively developed its LiDAR product line and, together with its partners, has endeavored to improve sensory accuracy, enhanced reliability and reduced manufacturing costs in order to meet market demands for high-performance LiDAR.

In recent years, there are constant innovations in display technology. With its self-luminous characteristics, more efficient display effect, high contrast ratio, low power consumption and excellent color reproduction capability, the potential application of Micro light-emitting diode ("MicroLED") technology in the display field is gradually emerging as an important innovation in the fields of commercial displays, mobile devices and virtual reality devices, and has the opportunity to become the representative of next-gen display technology. As a leading company focusing on precision optics, the Company will proactively respond to industrial changes by actively developing MicroLED display technology and its related components, striving to provide more efficient and power-saving display solutions, in order to meet growing demands of the market. As MicroLED technology further improves, the Company will capture more development opportunities in this emerging market.

Talent is the most important core asset of the Company, and it is essential to have an excellent team to promote and implement the Company's strategies and policies in the course of growth. With the gradual expansion and rapid ramp up of business, we must continue to invest in the training and building of a key high-caliber talent team to cater to the needs of each business, and only in this way can we withstand market fluctuations and continuously provide the best services to our customers.

Looking forward, for the new and rapidly growing fields, the Company will continue to focus on enhancing cooperation with existing customers, expanding new customer base, enriching product portfolio, accelerating process automation, improving process capabilities, optimizing internal efficiency, and fully exploring the team's comprehensive potential, in a push to improve services and added value for customers while focusing on long-term product and business planning. To this end, the Company will continue to increase its research and development resources, boost market development, and build a team that is adaptive to the market, in order to deliver maximum value for all shareholders. With innovative core and flexible strategies, the Group is expected to undergo stable growth amidst the global industrial restructuring and upgrades in order to generate sustainable and high returns for shareholders.



LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had total assets of approximately US\$1,436.7 million (31 December 2024: US\$1,442.6 million); net current assets of approximately US\$360.8 million (31 December 2024: US\$270.3 million) and total equity of approximately US\$600.4 million (31 December 2024: US\$523.7 million).

The Group continued to maintain a strong and solid financial position as at 30 June 2025, the Group reported approximately US\$404.0 million in unencumbered cash and cash equivalents. The Directors believe that the Group's current cash and cash equivalents and expected cash flow from operations will be sufficient to satisfy the current operational requirements of the Group. As at 30 June 2025, guarantee is provided by the Company and controlling shareholders to secure the banking facilities granted amounting to US\$912 million (31 December 2024: US\$832 million).

BORROWINGS

As at 30 June 2025, the Group had aggregate banking facilities of approximately US\$911.5 million (31 December 2024: US\$831.9 million), of which US\$266.5 million were utilized. Other than the aforementioned banking facilities, the Group did not have any outstanding loan, debt securities, charges, mortgages or other similar indebtedness, hire purchase, or guarantees or other material contingent liabilities as at 30 June 2025.

The calculation of gearing ratio is based on net debt (defined as bank loans and lease liabilities less cash and cash equivalents, bank deposits and pledged bank deposits) divided by the sum of net debt and total equity, and multiplied by 100%. As at 30 June 2025, the gearing ratio of the Group was -9.9% (31 December 2024: 12.8%) which was primarily due to an increase in its cash and cash equivalents.

PLEDGE OF THE GROUP'S ASSETS

As at 30 June 2025, the Group's pledged deposits of approximately US\$21.0 million represented deposits provided to secure certain bank loans in the PRC (31 December 2024: US\$10.5 million).

CAPITAL EXPENDITURES AND COMMITMENTS

The Group's capital expenditures (equivalent to the cash which the Group spent for purchasing property, plant and equipment) for the Reporting Period amounted to approximately US\$44.4 million, compared with US\$105.3 million for the six months ended 30 June 2024. The Group's capital expenditures in the Reporting Period mainly reflected purchases of additional equipment to produce more advanced flip-chip camera modules. The Group intends to fund the Group's planned future capital expenditures through a combination of cash flow from operating activities, bank loans and possible fund raising exercise.

The Group's capital commitments that were contracted but not provided as at 30 June 2025, amounted to approximately US\$14.0 million, compared with approximately US\$9.4 million as of 31 December 2024. Such capital commitments represent commitments mainly arising out of contracts where the relevant property, plant and equipment were not delivered as of the relevant dates.



CURRENCY RISK

The Group's exposure to currency risk arises primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars (pegged to the U.S. dollar), Renminbi and Korean Won.

The functional currency of the Company and its subsidiaries operating in Hong Kong, the PRC and Korea are U.S. dollars, Hong Kong dollars, Renminbi and Korean Won, respectively. While both the Group's sales of products and purchases of components, materials and equipment are denominated mainly in U.S. dollars, a portion of its purchases, as well as its labor and other operating costs, are denominated in other currencies, including Renminbi and Korean Won. For the six months ended 30 June 2025, the Group did not use any forward exchange contracts or other derivative instruments to hedge against fluctuations in currency exchange rates applicable to us.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

There were no significant investments held by the Group, or material acquisitions and disposals of subsidiaries, associated companies and joint ventures performed by the Group for the six months ended 30 June 2025.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have plans for material investments and capital assets as at 30 June 2025.

HUMAN RESOURCES

The Group employed a total of approximately 6,728 employees as at 30 June 2025 (31 December 2024: 6,035). Total staff costs for the Reporting Period, excluding Directors' remuneration, was approximately US\$61.8 million (six months ended 30 June 2024: US\$52.0 million).

In particular, professional employment agencies located in Dongguan, the PRC, have been involved for purpose of hiring most of the Group's factory workers. The Group also provides living, entertainment, dining and training facilities for its employees. The scope of the training covers introduction of our human resources policy, health and safety, management skills and machine and equipment manuals as well as other various topics.

The Group has an emolument policy with respect to its long-term incentive schemes. The basis of determining emoluments payable to the Directors is made on a discretionary basis with reference to the Group's operating results, individual performance and comparable market statistics. Furthermore, the Board has delegated the remuneration committee of the Board to review and make decisions in respect of the remuneration packages and overall benefits for the Directors and senior management of the Company. The emolument policy of the Group is determined by the Board on the basis of their merit, qualifications and competence.

Furthermore, to provide incentive or reward to our employees for their contribution or potential contribution to, and continuing efforts to promote the interests of, the Group with greater flexibility, the Group had terminated the share option scheme of the Company adopted on 4 February 2015 and adopted a new Share Option Scheme on 5 May 2021. For the Reporting Period, 672,000 options had been exercised, 274,000 options had been cancelled and 180,000 options had been lapsed. During the six months ended 30 June 2024, 5,059,000 options were exercised, 149,000 options were cancelled and 150,000 options were lapsed. As at 30 June 2025, based on the number of options granted and which had not been exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 46,184,880, representing approximately 5.4% of the issued shares of the Company. For details of the Share Option Scheme, please refer to the circular of the Company dated 20 April 2021.

The Board also approved the adoption of a share award scheme for the Company (the "Share Award Scheme") on 21 March 2024. For details of the Share Award Scheme, please refer to the Sub-section headed "Supplementary Information — Share Award Scheme" in this report. For the Reporting Period, 400,000 share awards were lapsed and no share awards were granted, vested, cancelled or exercised and 13,220,000 share awards were outstanding as at 30 June 2025 under the Share Award Scheme.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debenture of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were (i) required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept under section 352 of the SFO, or (iii) 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") as set out in Appendix C3 of the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange were as follows:

(a) Long position in the shares and underlying shares of the Company

				Percentage
			Number of	of aggregate
			shares or underlying	interests to the total number of
			shares of the	share in issue of
Name	Title	Nature of interest	Company	the Company
Mr. Meng Yan	Executive Director, Chairman	Beneficial interest (Note)	2,197,000	0.25%
Mr. Wu Ying-Cheng	Executive Director, Chief executive officer and Chief financial officer	Beneficial interest (Note)	1,763,000	0.20%
Mr. Chen Han-Yang	Non-executive Director	Beneficial interest (Note)	1,480,000	0.17%
Mr. Yang Li	Non-executive Director	Beneficial interest (Note)	1,120,000	0.13%

Note:

These interests represented the interests in underlying shares in respect of the share options granted by the Company under the Share Option Scheme (as defined below). For further details, please refer to the subsection headed "Share Option Scheme" in this report.



(b) Long position in the shares and underlying shares of associated corporation(s)

				Approximate percentage
			Number of shares or underlying	of aggregate interests to the total number of
Name	Title	Nature of interest	shares	share in issue
Mr. Meng Yan	Executive Director, Chairman	Beneficial interest (Note)	14,773,575	1.07%
Mr. Wu Ying-Cheng	Executive Director, Chief executive officer and Chief financial officer	Beneficial interest (Note)	3,161,875	0.23%
Mr. Chen Han-Yang	Non-executive Director	Beneficial interest (Note)	6,632,732	0.48%
Mr. Yang Li	Non-executive Director	Beneficial interest (Note)	7,121,694	0.52%

Note:

These interests represented the interests in underlying shares of the share awards granted by Luxvisions Innovation Technology Corp. Limited ("LITCL") (formerly known as Guangzhou Luxvisions Innovation Technology Limited), an intermediate holding company of the Company.

Saved as disclosed above, as of 30 June 2025, so far as is known to the Directors or chief executive of the Company, none of the Directors or the chief executive of the Company had any others interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which (a) 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 he was taken or deemed to have under such provisions of the SFO), or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares (the "Share(s)") of the Company and underlying shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Interest of substantial shareholders

			Approximate percentage of
		Number of Shares or	shareholding
Name of shareholder	Nature of interest	underlying Shares	interest ⁽²⁾
Luxvisions Innovation Technology Limited(1)	Beneficial interest	607,455,760	70.39% (L)
o,		551,229,760	63.88% (S) ⁽³⁾
Ms. Wang Laichun ⁽¹⁾	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾
Mr. Wang Laisheng ⁽¹⁾	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾
Ms. Wang Laijiao ⁽¹⁾	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾
Mr. Wang Laixi ⁽¹⁾	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾
Luxsan ⁽¹⁾	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾
LIL(t)	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾
LITCL ⁽¹⁾	Interest in a controlled	607,455,760	70.39% (L)
	corporation	551,229,760	63.88% (S) ⁽³⁾

- (1) Luxvisions Innovation Technology Limited ("LITL") is, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of LITCL, (which is a company incorporated in the PRC). LITCL is owned as to approximately 48.06% by Luxvisions Innovation Limited ("LIL"), a company incorporated in Hong Kong with limited liability, which is own as to approximately 56.342% by Mr. Wang Laixi, and 43.659% by Luxsan Limited ("Luxsan"). Luxsan is a company incorporated in Hong Kong with limited liability and owned as to by Ms. Wang Laichun (an elder sister of Mr. Wang Laixi), Mr. Wang Laisheng (an elder brother of Mr. Wang Laixi) and Ms. Wang Laijiao (an elder sister of Mr. Wang Laixi) as to 34%, 33% and 33% respectively. Each of Ms. Wang Laichun, Mr. Wang Laisheng, Ms. Wang Laijiao, Mr. Wang Laixi, Luxsan, LlL and LITCL is deemed, or taken to be, interested in the Shares held by LITL for the purposes of the SFO.
- (2) At as 30 June 2025, the total number of issued shares of the Company was 862,959,800 ordinary shares. (L) denotes long position, and (S) denotes short position.
- (3) LITL has pledged an aggregate of 551,229,760 ordinary shares in favour of a licensed bank in Hong Kong as security for its banking facilities granted by said bank, representing approximately 63.88% of the total issued share capital of the Company as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any person (other than the Directors or chief executive and substantial shareholders of the Company the interests of which were disclosed above) who had an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30 June 2025.

SHARE OPTION SCHEME

The Company has adopted a share option scheme by a resolution of its Shareholder on 4 February 2015 (the "**Old Share Option Scheme**"). The termination of the Old Share Option Scheme was approved pursuant to an ordinary resolution of Shareholders passed on 5 May 2021. No options were granted under the Old Share Option Scheme since its termination, and no further options will be granted under the Old Share Option Scheme.

The Company adopted a new Share Option Scheme pursuant to the shareholders' approval on 5 May 2021 to provide greater flexibility for the Company to grant share options and provide incentives and/or rewards to eligible persons for their contribution and continuing efforts to promote the interests of the Group.

During the Reporting Period, the Company did not grant any share options (the "**Options**") (six months ended 30 June 2024: Nil) to any eligible persons (the "**Grantees**") under the Share Option Scheme. The total number of Shares for issue under the Scheme is 83,436,880 representing 9.66% of the total number of issued shares of the Company as at the date of this Report.



MOVEMENT OF THE OPTIONS

		Number	of Options						
	Outstanding as at 1 January 2025	Exercised	Cancelled	Lapsed	As at 30 June 2025	Exercise Price (HK\$)	Closing price of the Shares before the date of grant (HK\$)	Date of grant ⁽³⁾	Vesting Period
Director of the Company	0.407.000				0.407.000	4444	400	07 May 0004	05 May 0004 ba
Meng Yan ⁽¹⁾	2,197,000	_	_	_	2,197,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Wu Ying-Cheng ⁽¹⁾	1,763,000	-	-	_	1,763,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Chen Han-Yang ⁽¹⁾	1,480,000	-		-	1,480,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Yang Li ⁽¹⁾	1,120,000	-	_	_	1,120,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Employee participan	ts								
Continuous contract employee ⁽¹⁾	12,722,000	482,000	274,000	180,000	11,786,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Continuous contract employee ^[2]	7,242,000	190,000	-	-	7,052,000	4.84	4.758	15 October 2021	15 October 2021 to 14 October 2026
Total	26,524,000	672,000	274,000	180,000	25,398,000				



Notes:

- (1) On 25 May 2021, a total of 45,450,000 Options were granted to certain Directors, chief executive and certain employees of the Group, and the exercise period of the Options are as follows:
 - 20% of the Options shall be vested on the date falling the first anniversary of the Date of Grant and exercisable from 25 May 2022 to 24 May 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the second anniversary of the Date of Grant and exercisable from 25 May 2023 to 24 May 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the third anniversary of the Date of Grant and exercisable from 25 May 2024 to 24 May 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the fourth anniversary of the Date of Grant and exercisable from 25 May 2025 to 24 May 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the fifth anniversary of the Date of Grant and exercisable from 25 May 2026 to 24 May 2031, both dates inclusive.

For further details of the grant, please refer to the announcement of the Company dated 25 May 2021.

- (2) On 15 October 2021, a total of 17,200,000 Options were granted to certain continuous contract employees of the Group, and the exercise period of the Options are as follows:
 - 20% of the Options shall be vested on the date falling the first anniversary of the Date of Grant and exercisable from 15 October 2022 to 14
 October 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the second anniversary of the Date of Grant and exercisable from 15 October 2023 to 14 October 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the third anniversary of the Date of Grant and exercisable from 15 October 2024 to 14
 October 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the fourth anniversary of the Date of Grant and exercisable from 15 October 2025 to 14 October 2031, both dates inclusive.
 - 20% of the Options shall be vested on the date falling the fifth anniversary of the Date of Grant and exercisable from 15 October 2026 to 14 October 2031, both dates inclusive.

For further details of the grant, please refer to the announcement of the Company dated 15 October 2021.

(3) Save as disclosed, no options had been granted to other chief executive, substantial shareholders of the Company, participants in excess of the individual limit and/or other related entity participants and/or service providers under the Share Option Scheme since its adoption.

For the vesting conditions, in each of the aforesaid exercise period, if a Grantee's performance appraisal result for the preceding calendar year before an exercise period is level B or C, the Board is entitled to cancel some Options exercisable in that exercise period of that Grantee; and if a Grantee's performance appraisal result for the preceding calendar year before an exercise period is level D, the Board is entitled to cancel all Options exercisable in that exercise period of that Grantee.

During the six months ended 30 June 2025, 672,000 options (six months ended 30 June 2024: 5,059,000 options) were exercised under the Share Option Scheme and the weighted average closing price of the Shares immediately before the dates on which the aforesaid 672,000 options were exercised was HK\$26.2240 (six months ended 30 June 2024: HK\$21.7426).

Considering a total of 62,650,000 options were granted before the year ended 31 December 2023, and no options were granted during the Reporting Period, the number of options available for grant under the Scheme Mandates Limit as at 1 January 2025 and 30 June 2025 remained as 20,786,880.

Based on the Scheme Mandate Limit and subtracting the number of option exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 45,439,880, representing approximately 5.26% of the issued share of the Company as at the date of this report.

The number of shares that may be issued in respect of Options granted under the Share Option Scheme during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue for the period is 5.36%.

SHARE AWARD SCHEME

The Board approved the adoption of a Share Award Scheme on 21 March 2024. The Share Award Scheme is a share award scheme pursuant to which existing ordinary shares of the Company will be purchased by the trustee of the scheme from the secondary market out of cash contributed by the Company and be held on trust for the selected employees until such shares are vested with the selected employees in accordance with the rules of the Share Award Scheme. The purpose of the Share Award Scheme is to motivate any employee of the Group employed under a contract of employment and shall include any person who has been an employee of the Company and/or our subsidiaries so employed (included without limitation any executive director of any member of the Group and non-executive director of any member of the Group), and to optimize their performance and efficiency for the benefit of the Group, and retain talents and attract suitable personnel for further development of the Group. The Share Award Scheme does not constitute a scheme involving issue of new shares as referred to in Chapter 17 of the Listing Rules and the adoption of the Share Award Scheme is not subject to the approval by the shareholders of the Company. For details of the Share Award Scheme, please refer to the annual report of the Company for the year ended 31 December 2024. During the Reporting Period, the Company did not grant any awarded share to any eligible persons under the Share Award Scheme.

MOVEMENT OF THE SHARE AWARDS

For the Reporting Period, the Company did not grant any awarded shares to employees (six months ended 30 June 2024: Nil) under the Share Award Scheme. The total number of awarded shares for the Share Award Scheme limit represents 9.88% of the total number of issued shares of the Company as at the date of this interim report.



Movement of the awarded shares under the Share Award Scheme during the reporting period are listed below:

		Number	of Shares					
	Outstanding as at 1 January 2025	Granted during the reporting period	Cancelled during the reporting period	Lapsed during the reporting period	As at 30 June 2025	Closing price of the Shares before the date of grant (HK\$)	Date of grant ⁽³⁾	Vesting Period
Employee participan Five highest paid individuals in	ts 180,000	-	_	-	180,000	20.85	20 September 2024	20 September 2025 to 20 September 2029
aggregate Continuous contract employee ⁽²⁾	13,440,000	-	-	400,000	13,040,000	20.85	20 September 2024	20 September 2025 to 20 September 2029
Total	13,620,000	_	_	400,000	13,220,000			

Notes:

- (1) The Share Award Scheme was adopted on 21 March 2024. On 20 September 2024, a total of 13,620,000 awarded shares were granted to certain continuous employees of the Group, and the vesting period of the awards are as follows:
 - (a) 20% of the Awarded Shares shall be vested on the date falling the first anniversary of the date of grant.
 - (b) 20% of the Awarded Shares shall be vested on the date falling the second anniversary of the date of grant.
 - (c) 20% of the Awarded Shares shall be vested on the date falling the third anniversary of the date of grant.
 - (d) 20% of the Awarded Shares shall be vested on the date falling the fourth anniversary of the date of grant.
 - (e) 20% of the Awarded Shares shall be vested on the date falling the fifth anniversary of the date of grant.

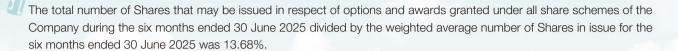
For further details of the grant, please refer to the announcement of the Company dated 20 September 2024.

For the vesting conditions, in each of the aforesaid exercise period, if a Grantee's performance appraisal result for the preceding calendar year before vesting date is level B or C, the Board is entitled to cancel some awarded shares in that vesting date of that Grantee; and if a Grantee's performance appraisal result for the preceding calendar year before vesting date is level D, the Board is entitled to cancel all awarded shares in that vesting date of that Grantee.

- (2) During the reporting period, no awarded shares were vested and cancelled. 400,000 awarded shares were lapsed.
- (3) Save as disclosed, no awarded shares were granted to any director, chief executive, substantial shareholders of the Company or their respective associates, participants in excess of the individual limit and/or other related entity participants and/or service providers under the Share Award Scheme since its adoption.

The number of awarded shares available for grant under the Share Award Scheme under the scheme mandate limit as at 1 January, 2025 and 30 June 2025 remained as 71,692,480.

Other details of award shares granted by the Company, including but not limited to the fair value of the award shares at the date of grant and the accounting standard and policy adopted, are set out in note 21 to the consolidated financial statements of the Company for the year ended 31 December 2024.



INTERIM DIVIDEND

In response to future market changes and the investment required to develop new products, and in order to address the challenges posed by the growing multidimensional demands of customers and the changing market environment, the Board thus does not recommend any payment of an interim dividend for the Reporting Period (2024: Nil), so as to ensure that the Group can remain a leading position in business development in the field of optics.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period (including sale or transfer of treasury shares as defined under Listing Rules). The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2025.

CORPORATE GOVERNANCE

The Board has reviewed the corporate governance of the Group in accordance with the code provisions (the "Code Provisions") of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "CG Code") and considered that, during the Report Period, the Company regulated its operation and carried out appropriate governance in accordance with the Code Provisions. The Company has complied with the Code Provisions as set out in the CG Code during the Reporting Period.

The Directors consider that the Company has fully complied with the applicable Code Provisions as set out in the CG Code during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group and the unaudited interim financial report for the Reporting Period. Based on this review, the Audit Committee was satisfied that the financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules. All Directors have confirmed, following specific enquiry of all Directors that they have fully complied with the required standard of dealings as set out in the Model Code and the code of conduct regarding Director's securities transactions adopted by the Company throughout the Report Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Company nor any of its subsidiaries after the end of the Reporting Period requiring disclosure in this interim report.



DIRECTORS' INFORMATION

To the best knowledge, information and belief of the Directors, there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules relating to the changes in Directors' information for the Reporting Period.

THE BOARD OF DIRECTORS

Board Responsibilities

The Board is the core of the Company's corporate governance structure, and is responsible for the overall strategic leadership and planning of the Company. All important matters of the Company are reserved for the Board's decision and the Board retains the authority of deciding such matters, including formulating and monitoring the Company's long term strategies and policy matters, reviewing financial performance, approving annual budgets, monitoring and reviewing internal control and risk management systems, assuming responsibility for the corporate governance of the Company, and upholding the core values of the Company.

Delegation by the Board

The Board relies on management for the day-to-day operation of the Company's business, and has delegated the authority and responsibility for the daily management, administration and operation of the Group as well as the implementation of the Board's policies and strategies to the senior management of the Group. The Board and senior management fully appreciate their respective responsibilities, and they complement each other in formulating and maintaining higher standards of corporate governance practices of the Company.

By order of the Board

Cowell e Holdings Inc.

Meng Yan

Chairman

Hong Kong, 21 August 2025



Review Report to the Board of Directors of Cowell e Holdings Inc.

(Incorporated in the Cayman Islands with limited liability)



Introduction

We have reviewed the interim financial report set out on pages 21 to 36 which comprise the consolidated statement of financial position of Cowell e Holdings Inc. ("the Company") as of 30 June 2025 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building 10 Chater Road Central, Hong Kong

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2025 — unaudited (Expressed in United States dollars)



Six months ended 30 June

		2025	2024
	Note	\$'000	\$'000
Revenue	3 & 4	1,360,302	585,934
Cost of sales		(1,204,625)	(514,400)
Gross profit		155,677	71,534
Other income		9,573	12,335
Selling and distribution expenses		(2,114)	(1,585)
Administrative expenses		(68,433)	(56,808)
Profit from operations		94,703	25,476
Finance costs	5(a)	(9,572)	(8,169)
Share of loss of an associate		(115)	
Profit before taxation	5	85,016	17,307
Income tax	6	(17,613)	(698)
Profit for the period		67,403	16,609
Attributable to:			
Equity shareholders of the Company		67,398	16,039
Non-controlling interests		5	570
Profit for the period		67,403	16,609
	7		
Earnings per share	7		
Basic		\$0.078	\$0.019
Diluted		\$0.075	\$0.018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2025 — unaudited (Expressed in United States dollars)

Six months ended 30 June

	2025 \$'000	2024 \$'000
Profit for the period	67,403	16,609
Other comprehensive income for the period (after tax adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements	4,040	(4,706)
Item that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit obligation	(12)	(8)
Other comprehensive income for the period	4,028	(4,714)
Total comprehensive income for the period	71,431	11,895
Attributable to:		
Equity shareholders of the Company	71,395	11,369
Non-controlling interests	36	526
Total comprehensive income for the period	71,431	11,895

Consolidated Statement of Financial Position

at 30 June 2025 - unaudited (Expressed in United States dollars)



		At 30 June	At 31 December
		2025	2024
	Note	\$'000	\$'000
Non-current assets			
Property, plant and equipment	8	370,260	374,444
Intangible assets		1,295	1,526
Interest in an associate		6,310	_
Interest in a joint venture		559	556
Prepayments and other receivables		10,943	17,606
Deferred tax assets		12,816	13,341
		402,183	407,473
Current assets			
Inventories		203,601	315,185
Trade and other receivables	9	329,092	434,708
Pledged bank deposits		20,989	10,468
Bank deposits with more than three months to maturity when placed	10	76,831	161,371
Cash and cash equivalents	10	403,974	113,349
		1,034,487	1,035,081
Current liabilities			
Trade and other payables	11	375,000	536,553
Bank loans		283,200	206,483
Lease liabilities		4,754	4,158
Current tax payable		10,765	17,583
		673,719	764,777
Net current assets		360,768	270,304
Total assets less current liabilities		762,951	677,777



Consolidated Statement of Financial Position

at 30 June 2025 — unaudited (Expressed in United States dollars)

Note	\$'000	\$'000
Non-current liabilities		
Bank loans	127,039	117,623
Lease liabilities	32,514	33,462
Net defined benefit retirement obligation	35	6
Deferred income	2,970	3,031
	162,558	154,122
NET ASSETS	600,393	523,655
CAPITAL AND RESERVES		
Share capital	3,452	3,449
Reserves	589,783	513,084
Total equity attributable to equity shareholders of the Company	593,235	516,533
Non-controlling interests	7,158	7,122
TOTAL EQUITY	600,393	523,655

Consolidated Statement of Changes in Equity

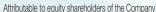
for the six months ended 30 June 2025 — unaudited (Expressed in United States dollars)



				A	ttributable to equi	ty shareholde	ers of the Compa	any				
					Capital						Non-	
		Share	Share	Capital	redemption	Other	General	Exchange	Retained		controlling	
		capital	premium	reserve	reserve	reserve	reserve fund	reserve	profits	Total	interest	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2024		3,412	70,930	4,347	7	2,315	31,217	(41,989)	339,416	409,655	5,511	415,166
Changes in equity for the six months ended 30 June 2024:												
Profit for the period		_	_	_	-	_	_	_	16,039	16,039	570	16,609
Other comprehensive												
income		-	_	_	-	_	_	(4,662)	(8)	(4,670)	(44)	(4,714
Total comprehensive income		_	_	<u>-</u>	<u>-</u>			(4,662)	16,031	11,369	526	11,895
Transfer from retained profits Shares issued under share		-	-	-	-	-	1,111	-	(1,111)	-	-	-
option scheme	12(a)	20	3,080	(370)	_	_	_	_	_	2,730	_	2,730
Equity settled share-based												
transactions		_	_	385	_	_	_	_	_	385	_	385
Share options lapsed/												
cancelled		-	-	(11)	-	_	-	-	11	_	-	-
Acquisition of non-controlling												
interests			_			(675)		_	_	(675)	394	(281
Balance at 30 June 2024		3,432	74,010	4,351	7	1,640	32,328	(46,651)	354,347	423,464	6,431	429,895

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025 — unaudited (Expressed in United States dollars)



					Attributable t	o equity share	holders of the	Company					
	Note	Share capital \$'000	Share premium \$'000	Shares held for share award scheme \$'000	Capital reserve	Capital edemption reserve \$'000	Other reserve \$'000	General reserve fund \$'000	Exchange reserve \$'000	Retained profits \$'000	Total \$'000	Non- controlling interest \$'000	Non- controlling interest \$'000
Balance at 1 January 2025		3,449	76,787	(7,801)	7,033	7	1,640	40,881	(54,283)	448,820	516,533	7,122	523,655
Changes in equity for the six months ended 30 June 2025:													
Profit for the period Other comprehensive		-	-	-	-	-	-	-	-	67,398	67,398	5	67,403
income									4,009	(12)	3,997	31	4,028
Total comprehensive income		.		- -	- -	- -	- -		4,009	67,386	71,395	36	71,431
Transfer from retained profits Shares issued under share		-	-	-	-	-	-	4,721	-	(4,721)	-	-	-
option scheme Shares purchased for share	12(a)	3	423	-	(52)	-	-	-	-	-	374	-	374
award scheme Equity settled share-based	12(b)	-	-	(4,907)	-	-	-	-	-	-	(4,907)	-	(4,907)
transactions Share options lapsed/		-	-	-	9,840	-	-	-	-	-	9,840	-	9,840
cancelled		_	<u>-</u>	_	(30)	<u>-</u>	<u>-</u>		<u>-</u>	30			_
Balance at 30 June 2025		3,452	77,210	(12,708)	16,791	7	1,640	45,602	(50,274)	511,515	593,235	7,158	600,393

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2025 — unaudited (Expressed in United States dollars)



Six months ended 30 June

	Note	2025 \$'000	2024 \$'000
	Note	\$ 000	\$ 000
Operating activities			
Cash generated from/(used in) operations		210,027	(48,610)
Tax (paid)/refunded, net		(23,897)	4,011
Net cash generated from/(used in) operating activities		186,130	(44,599)
Investing activities			
Payment for purchase of property, plant and equipment		(44,370)	(105,301)
Proceeds from sale of property, plant and equipment		_	146
Proceeds from matured bank deposits		164,281	321,254
Placement of new bank deposits		(79,356)	(120,624)
Other cash flows arising from investing activities		4,581	11,114
Net cash generated from investing activities		45,136	106,589
Financing activities			
Proceeds from new bank loans		697,948	671,533
Repayment of bank loans		(614,439)	(638,613)
Capital element of lease rentals paid		(2,410)	(2,639
Interest element of lease rentals paid		(896)	(333
Proceeds from shares issued under share option scheme		374	2,730
Payment for purchase of shares held for share award scheme		(4,907)	_
Increase in pledged bank deposits		(10,521)	_
Other cash flows arising from financing activities		(6,674)	(7,836)
Net cash generated from financing activities		58,475	24,842
Net increase in cash and cash equivalents		289,741	86,832
Cash and cash equivalents at 1 January	10	113,349	96,726
Effect of foreign exchange rates changes		884	(1,501)
Cash and cash equivalents at 30 June	10	403,974	182,057



(Expressed in United States dollars unless otherwise indicated)



This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, Interim financial reporting, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 21 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual 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.

This 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 Cowell e Holdings Inc. (the "Company") and its subsidiaries (the "Group") since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon 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 is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). KPMG's independent review report to the Board of Directors is included on page 20.

The financial information relating to the financial year ended 31 December 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

(Expressed in United States dollars unless otherwise indicated)



2 Changes in accounting policies

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates* — *Lack of exchangeability* issued by the IASB to the interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has adopted the accounting policy for associate during the current period as follows:

Associate

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the group's net investment in the associate, after applying the expected credit loss model to such other long-term interests where applicable.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the Company's statement of financial position, an investment in an associate is stated at cost less impairment losses, unless it is classified as held for sale (or included in a disposal group classified as held for sale).



(Expressed in United States dollars unless otherwise indicated)

Revenue and segment reporting

The principal activities of the Group are manufacturing and sale of camera module and optical components. Revenue represents the sales value of goods supplied to customers and excludes value added tax or other sales taxes and is after deduction of any trade discounts.

The Group's customer base with whom transactions have exceeded 10% of the Group's revenue for the six months ended 30 June 2025 includes one customer (2024: one customer). Revenues from sales to this customer during the reporting period are set out below.

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Largest customer	1,334,437	547,773
Percentage of total revenue	98.1%	93.5%

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 only has a single reportable segment.

Disaggregation of revenue by geographical location of customers is as follows:

	2025	2024
	\$'000	\$'000
The People's Republic of China ("PRC") (including Hong Kong)	1,230,772	502,951
The Republic of Korea ("Korea")	600	1,239
India	59,673	56,205
Vietnam	69,257	25,539
	1,360,302	585,934

Six months ended 30 June

(Expressed in United States dollars unless otherwise indicated)



4 Seasonality of operations

The Group on average experiences higher sales in the fourth quarter, compared to other quarters in the year, due to the increased retail demand for its products during the holiday season. As a result, the Group typically reports lower revenues and segment results for the first half of the year than the second half.

For the twelve months ended 30 June 2025, the Group recorded a revenue of \$3,268,626,000 (twelve months ended 30 June 2024: \$1,143,055,000), and gross profit of \$375,043,000 (twelve months ended 30 June 2024: \$148,447,000).

5 Profit before taxation

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

	Six months ended 30 June		naea 30 June
		2025	2024
		\$'000	\$'000
(a)	Finance costs		
()			
	Interest on bank loans	8,676	7,836
	Interest on lease liabilities	896	333
		9,572	8,169
(b)	Other items		
(b)	Other items		
	Amortisation	248	364
	Depreciation	32,203	16,057
	Research and development costs (other than depreciation and amortisation)	54,330	36,361
	Interest income	(4,497)	(5,872)
	Net loss/(gain) on disposal of property, plant and equipment	3,134	(21)
	(Reversal of)/loss allowance for expected credit loss	(519)	109



(Expressed in United States dollars unless otherwise indicated)



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

	Six months ended 30 June	
	2025	2024
	\$'000	\$'000
Current tax — Hong Kong Profits Tax	7,099	234
Current tax — Outside Hong Kong	(50)	422
Withholding tax on dividend income outside Hong Kong	10,000	_
Deferred taxation	564	42
Income tax expense	17,613	698

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2024: 16.5%) to the six months ended 30 June 2025, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

Pursuant to the Administrative Measures for Recognition of High-New Technology Enterprise ("HNTE") jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, Dongguan Cowell Optic Electronics Co., Ltd., an indirect wholly owned subsidiary of the Company, was certified as a HNTE. According to the provisions of Article 28 "Corporate Income Tax Law of the People's Republic of China", the effective Corporate Income Tax ("CIT") rate for 2025 and 2024 was subject to a reduced tax rate of 15%. Other PRC subsidiaries were subject to statutory tax rate of 25%.

Under the tax law in Korea, the statutory corporate tax rate applicable to the subsidiary in Korea is 9% for assessable income below Korean Won ("**KRW**") 200 million, 19% for assessable income between KRW200 million and KRW20 billion, 21% for assessable income between KRW20 billion and KRW300 billion, and 24% for assessable income above KRW300 billion for 2025 and 2024.

Withholding tax on dividend received is charged at 5%.

(b) Pillar Two income tax

From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in the Hong Kong SAR and certain other jurisdictions where a domestic minimum top-up tax has not been implemented, including the Chinese Mainland.

The Group has applied the temporary mandatory exception from deferred tax accounting for the top-up tax and accounted for the tax as current tax when incurred.

(Expressed in United States dollars unless otherwise indicated)



7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$67,398,000 (six months ended 30 June 2024: \$16,039,000) and weighted average of 861,664,000 ordinary shares (six months ended 30 June 2024: weighted average of 853,836,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$67,398,000 (six months ended 30 June 2024: \$16,039,000) and the weighted average number of ordinary shares of 896,699,000 (six months ended 30 June 2024: 881,183,000 shares).

8 Property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2025, the Group renewed and entered into a number of lease agreements for use of factories, staff quarters and warehouses, and therefore recognised additions to right-of-use assets of \$3,494,000 (six months ended 30 June 2024: \$1,574,000). In addition, the Group disposed of right-of-use assets of \$1,548,000 (six months ended 30 June 2024: \$Nil), resulting in a gain on disposal of \$47,000 (six months ended 30 June 2024: \$Nil).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2025, the Group acquired items of plant and equipment with a cost of \$30,166,000 (six months ended 30 June 2024: \$112,090,000). Items of plant and equipment with a net book value of \$4,656,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: \$157,000), resulting in a loss on disposal of \$3,181,000 (six months ended 30 June 2024: gain on disposal of \$21,000).

(c) Customer's equipment

A customer has provided machinery to the Group for production of goods to that customer. The original acquisition costs of machinery borne by the customer amounted to \$111,382,000 (31 December 2024: \$111,382,000) and was not recognised as the Group's property, plant and equipment. There is no rental charge for the machinery and the management consider that the arrangement has been taken into account in determining sales prices with the customer.



(Expressed in United States dollars unless otherwise indicated)

Trade and other receivables

As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Meth's A sounds	000 440	40.4.500
Within 1 month	309,443	404,582
Over 1 to 2 months	2,334	238
Over 2 to 3 months	561	237
Over 3 months	353	194
Trade receivables, net of loss allowance	312,691	405,251
Other receivables and prepayments	16,401	29,457
	329,092	434,708

Trade receivables are due within 30 to 90 days from the date of billing.

10 Bank deposits and cash and cash equivalents

	At 30 June	At 31 December
	2025	2024
	\$'000	\$'000
Cash at bank and on hand	403,974	113,349
Cash and cash equivalents in the consolidated statement of financial position		
and the condensed consolidated cash flow statement	403,974	113,349
Bank deposits with more than three months to maturity when placed	76,831	161,371

(Expressed in United States dollars unless otherwise indicated)



11 Trade and other payables

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 \$'000	At 31 December 2024 \$'000
Within 1 month	338,260	205,379
Over 1 to 3 months	252	119,648
Over 3 to 6 months	3,134	152,029
Trade payables	341,646	477,056
Accrued charges and other payables	33,354	59,497
	375,000	536,553

12 Capital and reserves

(a) Equity settled share-based transactions

The Company has adopted a share option scheme issued on 5 May 2021 (the "**Share Option Scheme**") and a share award scheme (the "**Share Award Scheme**") on 21 March 2024 pursuant to which the Directors and employees of the Group are entitled to participate.

During the six months ended 30 June 2025, no share options (six months ended 30 June 2024: no share options) were granted, 454,000 options (six months ended 30 June 2024: 299,000 options) were lapsed/cancelled and 672,000 options (six months ended 30 June 2024: 5,059,000 options) were exercised under the Share Option Scheme.

During the six months ended 30 June 2025, 400,000 share awards were lapsed and no share awards were granted, vested, cancelled or exercised under the Share Award Scheme. 13,220,000 share awards were outstanding as at 30 June 2025.

(b) Purchase of own shares

It represents the consideration paid for the ordinary shares of the Company purchased and held for Share Award Scheme. During the six months ended 30 June 2025, the trustee purchased and withheld 2,000,000 ordinary shares of the Company for a total amount of approximately HK\$38,177,000 (equivalent to approximately \$4,907,000).

(Expressed in United States dollars unless otherwise indicated)

13 Commitments

Capital commitments outstanding at 30 June 2025 not provided for in the interim financial report

	At 30 June	At 31 December
	2025	2024
	\$'000	\$'000
Contracted for	13,961	9,433

14 Material related party transactions

The Group entered into the following material related party transactions.

(a) Key management personnel remuneration

All members of key management personnel are the directors of the Company, and their salaries and other short-term benefits for the period are \$918,000 (six months ended 30 June 2024: \$346,000).

(b) Material transactions with related parties

Six months ended 30 June

	2025	2024
	\$'000	\$'000
Sales of goods		
- an intermediate holding company and its subsidiaries	2,252	1,420
- non-controlling interest	22,895	35,394
Purchase of raw materials		
- an intermediate holding company and its subsidiaries	6,043	9,418
- related companies*	71,874	4,061
Purchase of equipment from related companies*	1,156	4,033
Purchase of labour service		
- an intermediate holding company and its subsidiaries	71	_
— related companies [⋆]	713	_
Supply of labour service		
 an intermediate holding company and its subsidiaries 	1,379	_
- related companies*	943	_

^{*} The controlling shareholders of the Company have significant influence over these related companies.

(c) Guarantee

As at 30 June 2025, guarantee is provided by the Company and controlling shareholders to secure the banking facilities granted amounting to \$912 million (31 December 2024: \$832 million).