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芯智控股有限公司
Smart-Core Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2166)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- Total revenue of the Group for the six months ended 30 June 2026 amounted to HK\$6,818.3 million (2025: HK\$2,796.2 million), representing an increase of 143.8% as compared with the corresponding period in 2025.
- Gross profit of the Group for the six months ended 30 June 2026 amounted to HK\$408.9 million (2025: HK\$162.2 million), representing an increase of 152.0% as compared with the corresponding period in 2025.
- Net profit attributable to the owners of the Company for the six months ended 30 June 2026 amounted to HK\$290.0 million (2025: HK\$48.5 million), representing an increase of 498.4% as compared with the corresponding period in 2025.
- Basic and diluted earnings per share for the six months ended 30 June 2026 were HK63.35 cents (2025: HK10.44 cents) and HK62.59 cents (2025: HK10.38 cents) respectively.
- The Board resolved to declare an interim dividend of HK5 cents per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK3 cents per share).

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Smart-Core Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “**Group**”, “**we**” or “**our**”) for the six months ended 30 June 2026 (the “**Reporting Period**”) with the comparative figures for the corresponding period in 2025. These results were based on the condensed consolidated financial statements for the Reporting Period which were prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provision requirements of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The unaudited interim financial information has been reviewed by the Company’s auditor, RSM Hong Kong, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Note	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	6,818,258	2,796,194
Cost of sales		(6,409,348)	(2,633,954)
Gross profit		408,910	162,240
Other income		12,966	11,236
Other gains or (losses), net		2,533	534
Reversals of impairment losses/(impairment losses) on trade receivables		1,120	(1,913)
Research and development expenses		(19,670)	(17,757)
Administrative expenses		(45,782)	(36,370)
Selling and distribution expenses		(87,052)	(57,071)
Share of results of associates		87,045	7,668
Finance costs		(30,591)	(13,001)
Profit before tax		329,479	55,566
Income tax expense	5	(40,097)	(7,003)
Profit for the period	6	289,382	48,563
Attributable to:			
Owners of the Company		289,973	48,458
Non-controlling interests		(591)	105
		289,382	48,563
Earnings per share	8		
Basic		63.35 HK cents	10.44 HK cents
Diluted		62.59 HK cents	10.38 HK cents

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period	289,382	48,563
Other comprehensive income:		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	9,255	5,712
Other comprehensive income for the period, net of tax	9,255	5,712
Total comprehensive income for the period	298,637	54,275
Attributable to:		
Owners of the Company	299,196	54,136
Non-controlling interests	(559)	139
	298,637	54,275

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Financial Position

At 30 June 2026

		30 June 2026	31 December 2025
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		4,232	4,579
Right-of-use assets		31,292	36,051
Goodwill		20,159	20,159
Intangible assets		7,115	11,097
Club debentures		6,005	5,960
Financial assets at FVTOCI		43,043	41,786
Financial assets at fair value through profit or loss (FVTPL)		175,127	148,144
Investment in associates		239,630	150,890
Deposits		5,458	4,350
Deferred tax assets		12,700	2,279
		544,761	425,295
Current assets			
Inventories		1,027,027	292,340
Trade and bills receivables	9	1,821,592	1,173,903
Prepayments, deposits and other receivables		147,425	35,919
Pledged bank deposits		288,594	182,684
Bank and cash balances		165,652	153,960
		3,450,290	1,838,806
Current liabilities			
Trade and bills payables	10	1,158,875	494,193
Contract liabilities		14,067	26,829
Amounts due to associates		1,477	4,920
Other payables and accrued charges		148,957	84,730
Lease liabilities		7,330	10,060
Bank and other borrowings	11	1,270,599	529,872
Current tax liabilities		61,859	22,084
		2,663,164	1,172,688

		30 June 2026	31 December 2025
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Net current assets		787,126	666,118
Total assets less current liabilities		1,331,887	1,091,413
Non-current liabilities			
Lease liabilities		24,725	27,031
Bank and other borrowings	<i>11</i>	–	1,396
		24,725	28,427
NET ASSETS		1,307,162	1,062,986
Capital and reserves			
Share capital		38	38
Reserves		1,306,045	1,061,016
Equity attributable to owners of the Company		1,306,083	1,061,054
Non-controlling interests		1,079	1,932
TOTAL EQUITY		1,307,162	1,062,986

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 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 The Stock Exchange of Hong Kong Limited.

These condensed consolidated financial statements should be read in conjunction with the 2025 annual financial statements. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2025.

2. NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

New and amended standards adopted by the Group

The Group has applied the Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments and Annual Improvement to HKFRS Accounting Standards — Volume 11 for the first time from 1 January 2026. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the above mentioned amended standards.

3. SEGMENT INFORMATION

The chief operating decision maker has been identified as the directors of the Company. The directors review the Group’s internal reporting for the purposes of resource allocation and assessment of segment performance which focused on types of goods delivered. The Group has identified two reportable segments as follows:

- (a) Authorised distribution
- (b) Mixed distribution

No operating segments have been aggregated in arriving at the reportable segments of the Group.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 4 to the Group’s annual consolidated financial statements for the year ended 31 December 2025. Segment profit represents the profit earned by each segment without allocation of unallocated expenses, share of result of associates, fair value gain on financial assets at FVTPL and impairment loss on cryptocurrencies. This is the measure reported to the directors for the purposes of resource allocation and performance assessment.

The directors make decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the directors do not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Information about reportable segment profit or loss:

	Authorised distribution <i>HK\$'000</i>	Mixed distribution <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Six months ended 30 June 2026					
(Unaudited)					
Revenue from external customers	6,714,360	103,898	6,818,258	–	6,818,258
Inter-segment sales*	4,593	23,062	27,655	(27,655)	–
	<u>6,718,953</u>	<u>126,960</u>	<u>6,845,913</u>	<u>(27,655)</u>	<u>6,818,258</u>
Segment profit	<u>209,862</u>	<u>6,430</u>	<u>216,292</u>	<u>–</u>	<u>216,292</u>
Six months ended 30 June 2025					
(Unaudited)					
Revenue from external customers	2,754,011	42,183	2,796,194	–	2,796,194
Inter-segment sales*	2,417	3,942	6,359	(6,359)	–
	<u>2,756,428</u>	<u>46,125</u>	<u>2,802,553</u>	<u>(6,359)</u>	<u>2,796,194</u>
Segment profit	<u>40,657</u>	<u>5,328</u>	<u>45,985</u>	<u>–</u>	<u>45,985</u>

* Inter-segment sales are charged at cost

Reconciliations of reportable segment profit or loss:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit or loss		
Total profit of reportable segments	216,292	45,985
Unallocated amounts:		
Unallocated expenses	(11,558)	(6,648)
Fair value gain on financial assets at FVTPL	796	1,558
Share of results of associates	87,045	7,668
Impairment loss on cryptocurrencies	(3,193)	—
Consolidated profit for the period	289,382	48,563

Geographical information:

The Group principally operates in Hong Kong, the PRC, Singapore and Japan.

The following table provides an analysis of the Group's sales by geographical market based on the jurisdictions where the relevant group entities were set up, which are also their place of operations during the period, irrespective of the origin of goods and the location of customers.

Revenue from external customers based on location of operations of the relevant group entities

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	2,744,565	1,432,163
The PRC	2,265,224	941,204
Singapore	1,770,133	414,791
Japan	451	506
Others	37,885	7,530
Consolidated total	6,818,258	2,796,194

4. REVENUE

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Types of goods or service		
Sales of electronic components	6,818,258	2,796,194
Timing of revenue recognition		
A point in time	6,818,258	2,796,194
Sales channel/product lines		
Authorised distribution		
— Smart terminal	2,558,724	1,895,596
— Memory	3,661,321	553,555
— Computing infrastructure	494,315	304,860
	6,714,360	2,754,011
Mixed distribution	103,898	42,183
	6,818,258	2,796,194

(b) Performance obligations for contracts with customers

Sale of electronic components is recognised at a point of time when control of the goods has transferred, being when the goods have been delivered to port of discharge or the customer's specific location as stipulated in the sales agreement. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods.

Advance payments may be received based on the terms of sales contract and any transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer. The normal credit term is 0 to 120 days upon delivery.

As at 30 June 2026 and 31 December 2025, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period.

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
Hong Kong Profits Tax	32,932	6,282
PRC Enterprise Income Tax ("PRC EIT")	10,553	353
Singapore Corporate Tax ("CIT")	5,960	669
Others	953	81
	<u>50,398</u>	<u>7,385</u>
Deferred tax	<u>(10,301)</u>	<u>(382)</u>
	<u><u>40,097</u></u>	<u><u>7,003</u></u>

6. PROFIT FOR THE PERIOD

The Group's profit for the period is arrived at after charging:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Staff costs (including directors' emoluments)		
Salaries, wages and other allowances	43,014	36,143
Discretionary bonuses	35,365	19,478
Retirement benefit scheme contributions	7,903	6,429
	<u>86,282</u>	<u>62,050</u>
Total staff costs	<u><u>86,282</u></u>	<u><u>62,050</u></u>
Amortisation of an intangible asset (included in selling and distribution expenses)	790	790
Depreciation of property, plant and equipment	1,025	1,176
Depreciation of right-of-use assets	4,422	4,577
Cost of inventories recognised as an expense (excluding allowance for inventories)	6,347,488	2,624,272
Allowance for inventories (included in cost of sales)	<u><u>61,860</u></u>	<u><u>9,682</u></u>

7. DIVIDENDS

During the current interim period, a final dividend of 14 HK cents per share in respect of the year ended 31 December 2025 (2025: 10 HK cents per share in respect of the year ended 31 December 2024) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK\$63,801,000 (2025: HK\$46,109,000).

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of 5 HK cents (2025: 3 HK cents) per share amounting to HK\$29,321,000 (2025: HK\$14,660,000).

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following:

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purpose of calculating basic and diluted earnings per share	<u>289,973</u>	<u>48,458</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	457,714,080	464,017,770
Effect of dilutive potential ordinary shares arising from restricted share units (“RSU”)	<u>5,599,616</u>	<u>2,972,376</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>463,313,696</u>	<u>466,990,146</u>

For the six months ended 30 June 2026 and 2025, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has taken into account the ordinary shares purchased by the Trustee from the market pursuant to the share award scheme of the Company for those unvested awarded shares and ungranted shares, adjusted by the ordinary shares vested under the share award scheme of the Company.

Basic earnings per share attributable to owners of the Company is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of the ordinary shares in issue during the year.

9. TRADE AND BILLS RECEIVABLES

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 0 to 120 days (31 December 2025: 0 to 120 days). The bills receivables have a general maturity period ranging from 30 to 180 days (31 December 2025: 30 to 180 days). The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by the directors.

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the overdue date of the respective invoice and an analysis of bills receivables by age, net of allowance for credit losses, presented based on the bills issuance date, at the end of the reporting period:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Trade receivables:		
Not past due	1,746,687	1,074,049
0 to 60 days	59,935	79,259
61 to 120 days	565	649
	<u>1,807,187</u>	<u>1,153,957</u>
Bills receivables		
0 to 60 days	<u>14,405</u>	<u>19,946</u>

As at 30 June 2026, the Group entered into certain receivables purchase agreements with financial institutions for factoring of trade receivables due from specified customers with an aggregate carrying amount of HK\$759,950,000. In the opinion of the directors of the Company, these receivable shall be entirely derecognised under HKFRS 9.

As at 30 June 2026, other than bills receivables amounting to HK\$14,405,000 (31 December 2025: HK\$19,946,000), the Group does not hold any collateral or other credit enhancements over the carrying amounts of the trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

10. TRADE AND BILLS PAYABLES

The credit period for trade payables ranging from 0 to 60 days (31 December 2025: 0 to 60 days).

Aging analysis of the Group's trade and bills payables based on invoice date is as follows:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
0 to 30 days	1,099,883	467,423
31 to 60 days	42,861	19,920
61 to 90 days	1,674	2,813
Over 90 days	14,457	4,037
	<u>1,158,875</u>	<u>494,193</u>

11. BANK AND OTHER BORROWINGS

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Secured bank loans	758,531	331,002
Secured bank loans — supplier finance arrangements	512,068	200,266
	<u>1,270,599</u>	<u>531,268</u>

The bank and other borrowings are repayable as follows:

	30 June 2026 HK\$'000 (Unaudited)	31 December 2025 HK\$'000 (Audited)
Within one year	666,883	90,823
More than one year, but not exceeding two years	—	814
More than two years, but not more than five years	—	582
	666,883	92,219
Portion of bank and other borrowings that contain a repayment on demand clause (shown under current liabilities)	603,716	439,049
	1,270,599	531,268
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,270,599)	(529,872)
Amount due for settlement after 12 months	—	1,396

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK5 cents per share for the six months ended 30 June 2026 (six months ended 30 June 2025: HK3 cents per share) and is expected to be paid on or about Friday, 25 September 2026 to the shareholders of the Company (the “**Shareholder(s)**”) whose names appear on the register of members of the Company on Wednesday, 16 September 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 14 September 2026 to Wednesday, 16 September 2026, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 11 September 2026.

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

BUSINESS REVIEW

I. Global Economy: Low Growth, High Divergence and Coexistence of Risks and Resilience

In the first half of 2026, geopolitical conflicts drove up energy and commodity prices, leading to significant divergence across the global economy. The latest report issued by the International Monetary Fund (IMF) forecasts that global annual economic growth will slow to 3.0%, with the inflation forecast revised upward to 4.7%. The United Nations offered a more cautious estimate of 2.7%, significantly below the pre-pandemic average of 3.2%. Both institutions concur that “low growth and high divergence” define the macroeconomic landscape, with geopolitical conflicts, trade fragmentation and the risk of a bursting AI valuation bubble being the key concerns.

The World Trade Organization (WTO) forecasts that the growth rate of global merchandise trade volume will decrease from 4.6% to 1.9%. While traditional merchandise trade remains weak, trade in AI-related merchandise (such as chips, servers and optical modules) has remained robust, and the cross-border export of AI software and cloud services has emerged as new growth drivers. In terms of industrial investment, geopolitical competitions and trade barriers have slowed the recovery of global direct investment. The supply chains are accelerating their diversification into Southeast Asia, Mexico and India, which has, in the short term, pushed up capital expenditure by 15% to 25%, though, in the medium to long term, may lead to a decrease in profitability due to efficiency losses. Global manufacturing has shifted from “efficiency-first” to a dynamic balance among the three objectives of “efficiency, security and resilience”, making resilient supply chains a core strategy and creating favourable conditions for the development of the mixed distribution model for electronic components.

In terms of Chinese economy, GDP represented a year-on-year increase of 4.7% in the first half of the year. High-tech manufacturing grew by 13.3%, and the output of integrated circuits (IC) increased by 23.1%, both far outpacing the industrial average growth rate of 5.4%. Foreign trade imports and exports reached RMB25.47 trillion, representing a year-on-year increase of 16.9%, while the trade surplus narrowed by 4.7%. Among these, IC exports amounted to US\$177.28 billion, representing a year-on-year increase of 96.1% and cementing their position as China’s largest export category. Notably, while the export value of IC nearly doubled, export volume increased by only approximately 7%, indicating that the growth during the period was primarily driven by rising chip prices. In addition, memory chips accounted for approximately 65% of the export value.

II. Semiconductor Industry: AI Drives the Global Semiconductor Industry into a New Era of US\$1 Trillion

In 2026, the global semiconductor industry is poised to enter a new era of the trillion-dollar market, with AI computing power demand serving as the core driving force. The World Semiconductor Trade Statistics (WSTS) significantly revised its outlook upward in its Spring Forecast published in June, forecasting that the full-year market size will exceed US\$1.5 trillion. Among this, the revenue from memory chips will increase from US\$230 billion in 2025 to US\$803.9 billion, representing a year-on-year surge of 249.5%, while the revenue from logic chips will increase by over 30% year-on-year. Monthly statistics from the Semiconductor Industry Association (SIA) corroborate this growth trajectory, with global semiconductor market sales in the first quarter increasing by 79.2% year-on-year to reach US\$298.5 billion.

The driving forces of growth in the semiconductor industry are exhibiting an unprecedented structural divergence: the robust demand for HBM (High Bandwidth Memory), enterprise-grade eSSDs, GPUs and high-speed interconnect chips from AI servers constitutes the core growth engine. Traditional markets such as smartphones and PCs, by contrast, have seen declining shipment volumes as constrained by rising memory prices. According to IDC, a market research firm, global PC shipments in the second quarter of this year fell 4.9% year-on-year, representing an estimated year-on-year decline of 11.3%. This round of growth primarily stems from the increase in average selling price (ASP) rather than the expansion of shipment volumes. Statistics indicate that if the contribution from AI-related sectors is excluded, the traditional semiconductor chip market has limited room for growth.

III. Business Performance of the Group

In the first half of 2026, the Group continued to deepen its business layout centering on the main theme of AI technology, striving for synergy development in four business units, namely memory chips, smart terminal, computing infrastructure and mixed distribution. Benefiting from the explosive growth of the memory chip business, the Group achieved a leapfrog improvement in overall performance, with all business units registering substantial year-on-year growth. The memory chip business unit, in particular, delivered an outstanding performance, with its proportion in the Group's revenue rising rapidly. This change fully reflects the transformative power of AI in reshaping the industrial landscape, and also verifies the foresight and effectiveness of the Group's strategy of "multi-track layout with targeted breakthroughs". The semi-annual review of each business unit is as follows:

3.1 Memory Business Unit

The Group has been exploring the memory sector for years, and has built a multi-category memory chip product matrix covering DRAM, NAND Flash, NOR Flash, MCP, KGD and eSSD modules, which can meet the demands of various application scenarios ranging from edge wearable devices, smart terminals to cloud data centers.

In the first half of 2026, the global memory chip market was in a historic “super cycle” driven by AI demand. According to a forecast report released by market research firm TrendForce in May, the development of AI has shifted from large model training to agentic AI applications centered on inference, driving a structural expansion in memory demand. The firm has significantly revised its forecast for 2026 global memory output value significantly upward from the early-estimated US\$551.6 billion to US\$889.3 billion, and further raised the 2027 forecast to over US\$1.28 trillion. This means memory chips will become the fastest-growing single category in the history of the semiconductor industry.

Data shows that a single AI server requires approximately eight times the DRAM capacity required by a traditional server and approximately three times the NAND flash memory capacity, while making extensive use of high-value advanced products such as HBM and eSSD. As manufacturing the same capacity of HBM requires wafer capacity equivalent to three to four times that required for ordinary DRAM chips, leading memory manufacturers have prioritised allocating production capacity to higher-margin HBM products, significantly constraining the supply of conventional DRAM and resulting in a sustained increase in DRAM chip prices. According to TrendForce, in the second quarter of 2026, contract prices of conventional DRAM increased by 58% to 63% quarter-on-quarter, while contract prices of NAND flash memory increased by 70% to 75% quarter-on-quarter. Contract prices are expected to further increase by 13% to 18% and 10% to 15%, respectively, in the third quarter of 2026.

Meanwhile, the rapid development of AI Agent technologies and their deployment in application scenarios, together with the widespread adoption of million-token context reasoning and intelligent agent applications, have resulted in Token consumption volumes that are expected to be 10 to 50 times higher than those of conventional Chat interactions, significantly driving demand for HBM, DRAM and enterprise-grade eSSD products.

To support local large model inference on edge AI devices, terminals such as smartphones and PCs have begun to be equipped with higher-capacity LPDDR5X and UFS 4.0 embedded storage. Mainstream AI glasses generally adopt a storage combination of 2GB DRAM and 32GB NAND flash memory, while high-end models are equipped with even larger capacities. In addition, AI hardware products, supported by innovative functions and high value-added positioning, are better able to absorb cost increases arising from higher storage requirements and possess stronger pricing power in securing supply chain resources, thereby driving increases in memory chip prices.

During the first half of 2026, this business unit maintained close business cooperation with multiple globally renowned memory chip manufacturers and successfully captured the opportunities arising from the supercycle of the memory chip industry, achieving significant growth in operating performance. During the first half of 2026, the business unit recorded aggregate sales of HK\$3,661.3 million, representing a substantial year-on-year increase of 561.4%, which drove the Group's overall revenue scale to a new level.

3.2 Smart Terminal Business Unit

As the core control unit of electronic products, SoC (System on Chip) technology is undergoing accelerated evolution towards the integration of NPU (Neural Processing Unit) to meet the demand for local AI computing at the edge under conditions requiring low latency and high energy efficiency. Various SoC manufacturers have launched next-generation technology platforms integrated with high-performance NPUs, which not only enable accelerated AI inference at the edge, but also achieve technological upgrades in areas including image signal processing (ISP), audio processing and sensor fusion, thereby facilitating the widespread adoption of innovative applications such as voice interaction, real-time translation, image recognition and image generation. In particular, strong growth momentum has been demonstrated in high-computing-power-demand areas such as AI PCs, smart wearables, industrial vision and robotics.

A report released by IDC in April points out that global AI PC shipments are expected to reach 123 million units in 2026, accounting for over 45% of total PC shipments; the penetration rate of on-device AI chips in smartphones is also rising rapidly, and it is estimated that over 70% of smartphones worldwide will be equipped with AI engines by 2027. Market demand for AI SoCs is increasing quickly. According to a report from Semiconductor Insight, the global AI SoC market size is projected to be US\$41.23 billion in 2026, growing to US\$103.73 billion by 2034, with a CAGR of approximately 14.6%. A report by Grand View Research shows that the global edge AI market will be worth about US\$30 billion in 2026 and is expected to reach US\$118.7 billion by 2033, representing a CAGR of 21.7%. Research by Forrester points out that enterprises migrating model inference from the cloud to edge devices can reduce AI operational expenditure by 40–70%, which provides a solid economic foundation for the long-term growth of the edge AI SoC market.

Overall, the wave of edge intelligence driven by AI SoCs is ushering in a new growth cycle for the semiconductor industry and will reshape the future competitive landscape of electronic product forms. This business unit maintains close collaboration with multiple well-known SoC chip manufacturers in the industry, offering customers services that cover chip supply chain assurance, customised technical solutions, and full-cycle FAE technical support. In the first half of 2026, driven by the rapid expansion of the AI SoC market and the Company's continued deep involvement in emerging sectors, this business unit recorded cumulative sales of HK\$2,558.7 million, with a significant year-on-year increase of 35.0%, demonstrating strong market competitiveness and business resilience.

3.3 Computing infrastructure business unit

This business unit focuses on core optical communication components in the field of computing infrastructure. Its core products encompass transmitter chips (such as CW LDs, VCSELs, and EMLs) and receiver chips (such as PDs and APDs) used in high-speed 200G/400G/800G/1.6T data communication optical modules. High-performance transceiver chips constitute the most technologically critical core component within optical modules. As optical module rates transition from 400G to 800G and even 1.6T, the performance requirements for optical transceiver chips increase exponentially.

Sustained increases in global AI computing infrastructure investment and the demand for high-speed data center transmission are driving the optical module market into a new phase of structural growth. According to a research report published by TrendForce in May 2026, the total capital expenditure forecast for the world's top nine cloud service providers (CSPs) in 2026 has been revised upward to approximately US\$830 billion, representing a year-on-year increase of 79%, indicating that AI computing infrastructure investment remains in an accelerating growth phase.

Leveraging its in-depth cooperation with leading global optical communications chip manufacturers and the Group's high-quality customer resources in the optical module sector, this business sector recorded cumulative sales of HK\$494.3 million in the first half of the year, representing a year-on-year increase of 62.1%, maintaining a strong growth momentum.

3.4 Mixed Distribution Business Sector

Independent distribution is a market-driven, decentralised network within the electronic components supply chain, integrating excess inventory from original equipment manufacturers, OEM/CEMs and industry peers. It serves emergency spot procurement, end-of-life (EOL) bulk purchasing and obsolete material allocation, ensuring production continuity for manufacturers during supply-demand imbalances. According to Research Nester, the global electronic components distribution market is estimated at approximately US\$200.7 billion in 2025 and is projected to reach US\$391.2 billion by 2035, representing a CAGR of 7.7%.

In the first half of 2026, severe shortages and extended lead times for memory chips and wafers drove manufacturers to turn to independent distribution for spot supplies, fuelling demand for this business sector. Leveraging the Group's supply chain integration capabilities, we rapidly matched urgently needed materials and, in areas such as power devices and domestic EDA software, recommended alternative AVL resources from original manufacturers, establishing a distinctive hybrid distribution model that evolves from "solving shortages" to "guiding substitution". In terms of industry trends, increasingly stringent international trade compliance requirements are reshaping market access thresholds, with supply chain transparency and traceability becoming core customer considerations, benefiting mid-to-large distributors with standardized operational capabilities.

In the first half of the year, this business sector benefited from the pressing market demand for supply chain resilience, with both customer numbers and order volumes recovering markedly. The cumulative sales amounted to HK\$103.9 million, representing a year-on-year increase of 146.3%.

OUTLOOK

I. Macroeconomic Outlook

In the second half of 2026, the global economy remains in a phase of structural adjustment marked by uncertainty. The Organisation for Economic Co-operation and Development (OECD) projects that global GDP growth will moderate from 3.4% in 2025 to 2.8% in 2026, before recovering to 3.1% in 2027. The World Bank (WB) forecasts a more conservative growth rate of 2.5%, with approximately two-thirds of global economies experiencing downward revisions to their growth projections. Key risks include energy shocks in the Middle East, trade fragmentation and valuation corrections in the AI sector. With respect to the Chinese economy, the World Bank estimated in July 2026 a full-year growth rate of 4.4%, while the Asian Development Bank maintained its previous forecast of 4.6%. High-technology investment and robust exports remain the core pillars of this growth, with the electronic information manufacturing industry, driven by AI, expected to maintain its global competitiveness.

II. Outlook for Semiconductor Market

Global semiconductor market expected to remain highly prosperous. In addition to the optimistic forecasts provided by WSTS, Gartner raised its 2026 global semiconductor revenue forecast to exceed US\$1.3 trillion in April, representing 64% year-on-year growth — the highest growth rate in nearly two decades. Omdia also simultaneously raised its growth forecast to 62.7%. Research institutions generally believe that HBM capacity is crowding out conventional DRAM production, leading to tight memory supply, with a substantive easing not expected until the second half of 2027. DRAM prices are projected to accumulate a total increase of 125% in 2026.

Short-term industry statistics also confirm this high prosperity. According to SIA data, global semiconductor chip sales reached US\$120.61 billion in May this year, representing a doubling compared to the same period last year and marking the 31st consecutive month of year-on-year growth. The core driver of this growth remains AI. Furthermore, edge AI devices are entering a period of widespread adoption, and the resonance between cloud and edge is expected to drive the market towards an even larger scale.

Based on the above macroeconomic and industry trend assessments, our outlook for each business unit is as follows:

3.1 Memory Business Unit: AI Supercycle Continues, Structural Prosperity Persists

Looking ahead to the second half of 2026, the high-prosperity cycle of the global memory chip market is expected to continue. In a report released in June, TrendForce pointed out that against the backdrop of HBM capacity continuously crowding out conventional DRAM supply, DRAM bit supply growth rate for the full year of 2026 is expected to be only around 16% — well below the historical annual average growth rate of over 25%. This structural tight supply situation is unlikely to ease in the short term. The institution expects memory prices to peak at this cycle in the second half of 2026, followed by a period of high-level consolidation. The likeliness of a significant correction within the year is relatively low.

It is noteworthy that the maturation of AI Agent technology is opening up a “second growth curve” for memory demand. AI Agents capable of long-term memory of millions of tokens and autonomous decision-making generate data throughput during inference that far exceeds traditional applications, driving non-linear growth in demand for HBM and eSSD storage capacity. In May 2026, TrendForce significantly raised its 2027 global memory revenue forecast from US\$842.7 billion to over US\$1.28 trillion, representing annual growth of approximately 44%. Based on the Group’s deep-rooted presence in the memory market over many years and the scalable supply capabilities established through core major customer partnerships in the first half of the year, this business unit is optimistic about its business growth in the second half.

3.2 Smart terminal business unit: AI SoC leading the comprehensive adoption of on-device AI

As AI continues to penetrate from cloud computing into the physical world, on-device AI is transitioning from a “nice-to-have” to a “must-have”. The drivers of on-device AI adoption are multi-faceted: 7B-parameter models can now run smoothly on smartphones and PCs with continuously improving performance; the high priority placed on sensitive data security in commercial applications ensures that on-device inference keeps data “off the device”; and the exponential growth in token consumption in the Agent era, coupled with rising cloud API call costs, is driving users to deploy local computing power to control costs. Currently, local hardware can efficiently implement AI functions such as speech recognition, image generation, and intelligent assistants. At the core of this trend lies the continuous iterative innovation in the technical architecture and power efficiency ratio of AI SoCs. According to a report released by Semiconductor Insight in March 2026, the AI SoC market will reach US\$41.23 billion in 2026, with a compound annual growth rate of approximately 14.6% over the period from 2026 to 2034.

The year 2026 will be a pivotal year in which AI-enabled smart terminals transition from “a novelty for early adopters” to “a standard feature for the majority”. Leveraging their significant product premium, AI-capable smart terminal products are expected to grow at a pace far exceeding that of traditional electronic products, becoming a core driver of structural transformation in the consumer electronics market.

Looking ahead to the second half of 2026, with the accelerated proliferation of AI PCs and AI smartphones (IDC forecasts that annual shipments of AI PCs will exceed 123 million units, capturing over 45% of the PC market share), consumer demand for smart devices with built-in AI processing capabilities will continue to rise. At the same time, emerging smart wearable categories such as AI glasses and AI earphones are rapidly gaining market traction, while AI vision application scenarios — including AI cameras, robot vacuums, and embodied intelligence — are accelerating their penetration, further expanding the demand base for AI SoC chips. This business unit will focus on high-growth sectors such as smart wearables, smart vision, and robotics, seizing the historic opportunity presented by the comprehensive adoption of on-device AI.

3.3 Computing infrastructure business unit: continuing to benefit from the AI infrastructure investment wave

Looking ahead to the second half of 2026, global investment in AI computing infrastructure will continue to maintain rapid growth, with the proportion of computing infrastructure investment — centered on AI servers and optical modules as core procurement targets — continuing to rise. This indicates that global technology giants are comprehensively accelerating their investment in AI computing power, and the growth in demand for high-speed optical modules is expected to outpace previous market expectations. According to LightCounting forecasts, shipments of 800G optical modules will more than double in 2026, and 2026 will mark the first year of mass production for 1.6T optical modules, with their chipset sales expected to exceed US\$2 billion for the first time and maintain rapid growth through 2029.

As the parameter scale of large AI models continues to expand and training clusters evolve toward “hundred-thousand-card” or even “million-card” levels, and as optical interconnects progressively replace copper interconnects, the growth rate of optical modules has outpaced that of xPUs (compute chips), further amplifying the total market demand for optical modules. According to a report by Yole Group, the global optical module market is projected to grow from US\$23.4 billion in 2025 to US\$112.3 billion by 2031, representing a compound annual growth rate of 30%. Against this backdrop, this business unit will continue to deepen its strategic partnerships with leading global manufacturers of optical communications chips, proactively expand its quality customer base both domestically and internationally, and fully capitalize on the strategic opportunities arising from the rapid development of computing infrastructure.

3.4 Mixed Distribution Business Unit: Traditional Model Embraces New Opportunities from AI Enablement and Compliance Upgrades

The global electronic components supply chain is undergoing profound structural adjustments. Supply-demand mismatches and lead-time volatility have evolved from short-term disruptions into structural norms. Beyond conventional authorized channels, manufacturing enterprises are increasingly reliant on independent distribution channels. The application of AI technologies in supply chain management aspects, such as demand forecasting, inventory optimization, and risk early warning, is becoming increasingly mature, reshaping the operational models and service standards of the distribution industry. In addition, the continued tightening of international trade compliance requirements is expected to accelerate industry consolidation. This will favour medium-to-large distributors with well-regulated operational capabilities and comprehensive compliance systems to expand their market share. As the global semiconductor market surpasses the trillion-dollar threshold, the overall ceiling for the electronic components distribution industry will be significantly elevated, thereby broadening the growth potential for mixed distribution models.

This business unit will pursue three key initiatives, namely AI-driven operational upgrades, enhancement of its compliance management systems, and expansion of its global business network, to establish a differentiated competitive advantage in an increasingly complex and volatile market environment, while continuing to create value for customers and achieve sustainable growth.

IV. Summary

As one of the most transformative general-purpose technologies, artificial intelligence is profoundly reshaping the global industrial development landscape. Its rigid demand for advanced computing power, high-speed storage and low-latency transmission has forged a deeply synergistic and symbiotic relationship between artificial intelligence and advanced semiconductors. Driven by such robust demand, a number of authoritative research institutions have successively and significantly increased their growth projections for the semiconductor market. McKinsey's report published at the beginning of the year pointed out that the artificial intelligence and data center sectors alone are sufficient to propel the semiconductor industry to exceed the US\$1 trillion mark by 2030. The current market growth rate has already notably outpaced its baseline assumptions, signalling that the semiconductor industry is entering a super boom cycle driven by artificial intelligence.

However, there are also uncertainties amid such prosperity. On the one hand, if HBM production capacity expands faster than expected, or if AI capital expenditure growth unexpectedly slows down, memory chip prices may peak ahead of schedule. On the other hand, killer applications for edge AI have yet to fully mature, and consumers' willingness to upgrade their devices may fall short of expectations. These uncertainties cast a shadow of concern over the industry's long-term growth trajectory that warrants continued attention.

In summary, in the first half of 2026, the explosive growth of the memory chips business propelled the Group's revenue to a new magnitude, marking a significant milestone in its development history. Meanwhile, the smart devices, computing infrastructure and mixed distribution business units all recorded substantial year-on-year growth, which not only demonstrated the Group's balanced and strategically forward-looking positioning across the entire AI industry chain, but also fully validated the effectiveness of the strategy of "multi-track deployment with focused breakthroughs". Looking ahead, leveraging its full-chain advantages spanning authorised distribution, independent distribution, value-added technology services and optical communication chips, the Group will further deepen strategic synergies with upstream and downstream industry partners. The Group will continue to cultivate the AI hardware and software sectors, actively expand its domestic and overseas business networks, and build a more resilient global supply chain service system through AI-driven intelligent transformation. With a steadfast commitment to prudent operations and innovation-driven growth, the Group will continuously enhance its business quality and profitability, and is dedicated to delivering more sustainable and greater value to its shareholders.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, the Group's revenue amounted to HK\$6,818.3 million, representing an increase of HK\$4,022.1 million (143.8%) as compared with the corresponding period in 2025 (HK\$2,796.2 million). The increase in revenue was mainly caused by the increase in the sales of memory and edge AI SoC.

Gross profit

Our gross profit for the six months ended 30 June 2026 increased by HK\$246.7 million (152.0%) to HK\$408.9 million as compared with the corresponding period in 2025 (HK\$162.2 million). Our gross profit margin increased by 0.2% to 6.0% for the six months ended 30 June 2026 (six months ended 30 June 2025: 5.8%). The increase in gross profit margin was principally caused by an increase in sales and gross profit margin in smart terminal and computing infrastructure business units.

Research and development expenses

Research and development expenses mainly comprise of staff cost incurred for our research and development department. For the six months ended 30 June 2026, research and development expenses amounted to HK\$19.7 million, increased by 10.8% as compared with the six months ended 30 June 2025 (HK\$17.8 million). The increase was mainly due to an increase in staff costs of our research and development personnel.

Administrative, selling and distribution expenses

Administrative, selling and distribution expenses aggregated to HK\$132.8 million for the six months ended 30 June 2026 (six months ended 30 June 2025: HK\$93.4 million), which accounted for 1.9% of the revenue for the six months ended 30 June 2026 as compared with 3.3% over the corresponding period in 2025. The increase was mainly due to an increase in staff costs of our selling and distribution personnel.

Finance costs

The Group's finance costs for the six months ended 30 June 2026 amounted to HK\$30.6 million (six months ended 30 June 2025: HK\$13.0 million). The Group has entered into various financing arrangements with principal bankers. The finance costs increased compared to the prior period which was mainly due to more bank and other borrowings used for the business of the Group.

Profit for the period

For the six months ended 30 June 2026, the Group's profits amounted to HK\$289.4 million, representing an increase of HK\$240.8 million as compared to HK\$48.6 million for the corresponding period in 2025, a rise of 495.9%. The net profit margin for the six months ended 30 June 2026 was approximately 4.2%, representing an increase of 2.5% as compared with the corresponding period in 2025 (2025: 1.7%).

Net profit attributable to the owners of the Company

The net profit attributable to the owners of the Company for the six months ended 30 June 2026 amounted to HK\$290.0 million, representing an increase of 498.4% as compared with the corresponding period in 2025 (six months ended 30 June 2025: HK\$48.5 million).

Use of proceeds from the global offering

The shares of the Company were listed (the “**Listing**”) on the Stock Exchange on 7 October 2016. The Company issued 125,000,000 new shares with the nominal value of US\$0.00001 at HK\$1.83 per share. The net proceeds from the Listing received by the Company were approximately HK\$205.8 million after deducting underwriting fees and estimated expenses in connection with the Listing.

On 17 December 2025, the Board has resolved to change the use of the net proceeds of HK\$23.9 million raised from the Listing. The unutilised proceeds was previously allocated for enhancing, further developing and maintain our e-commerce platform and improving our technology infrastructure. In light that the current level of development of the Group's e-commerce platform is sufficient to fulfil and maintain such primary purpose, the Board resolved to use the unutilised proceeds as to approximately HK\$8.4 million for marketing and operating expenses in relation the sales of AI-related electronic components and for securing additional distribution authorisations for AI-related electronic components, and as to approximately HK\$15.5 million for recruitment of research and development (R&D) personnel for technical support and solution services ancillary to the Group's distribution of AI-related electronic components business. For details, please refer to the announcements of the Company dated 17 December 2025 and 9 January 2026 (the “**Announcements**”).

Use of Proceeds		Net proceeds (in HK\$ million)	Utilised during six months ended 30 June 2026 (in HK\$ million)	Cumulative utilised as at 30 June 2026 (in HK\$ million)	Amount remaining (in HK\$ million)	Expected timeline for utilising the remaining net proceeds (Notes 1 and 2) (in HK\$ million)
1.	Hiring additional staff for sales and marketing and business development and improvement of warehouse facilities	20.6	0.0	(20.6)	0.0	–
2.	Advertising and organising marketing activities for the promotion of our e-commerce platform, Smart Core Planet and our new products	41.2	0.0	(41.2)	0.0	–
3.	Enhancing, further developing and maintain our e-commerce platform and improving our technology infrastructure	17.3	0.0	(17.3)	0.0	–
4.	For research and development	20.6	0.0	(20.6)	0.0	–
5.	Funding potential acquisition of, or investment in business or companies in the e-commerce industry or electronics industry	61.7	0.0	(61.7)	0.0	–

Use of Proceeds	Net proceeds (in HK\$ million)	Utilised during six months ended 30 June 2026 (in HK\$ million)	Cumulative utilised as at 30 June 2026 (in HK\$ million)	Amount remaining (in HK\$ million)	Expected timeline for utilising the remaining net proceeds (Notes 1 and 2) (in HK\$ million)
6. Developing solutions for smart terminal, edge computing and other areas, as well as investing in the distributive authorization and marketing of AI-related chips					
— Marketing and operating expenses in relation to the sales of AI-related electronic component	8.4	(8.4)	(8.4)	0.0	—
— Recruitment of R&D personnel	15.5	(9.7)	(9.7)	5.8	Expected to be fully utilised on or before 31 December 2028
7. General working capital	20.5	0.0	(20.5)	0.0	—
	<u>205.8</u>	<u>(18.1)</u>	<u>(200.0)</u>	<u>5.8</u>	

Notes:

1. The expected timeline for utilising the remaining net proceeds is made based on the best estimation of the Company taking into account, among others, the prevailing and future market conditions and business developments and needs, and therefore is subject to change.
2. On 17 December 2025, the Board has resolved to change the use of the net proceeds of HK\$23.9 million raised from the Listing. For details, please refer to the Announcements.

Liquidity and financial resources

The Group's primary source of funding include cash generated from operating activities and the credit facilities provided by banks. The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements.

As at 30 June 2026, the Group maintained aggregate restricted and unrestricted bank balances and cash of HK\$454.2 million (31 December 2025: HK\$336.6 million).

As at 30 June 2026, the outstanding bank and other borrowings of the Group were HK\$1,270.6 million (31 December 2025: HK\$531.3 million). The Group's gearing ratio, which is calculated by the interest-bearing borrowings divided by total equity, increased from 50.0% as at 31 December 2025 to 97.2% as at 30 June 2026 as a result of the increase in bank borrowings.

As at 30 June 2026, the total and unutilised amount of the Group's banking facilities (excluding standby letter of credit) were HK\$3,686.3 million and HK\$1,675.5 million (31 December 2025: HK\$2,340.7 million and HK\$1,809.4 million) respectively.

As at 30 June 2026, the Group had current assets of HK\$3,450.3 million (31 December 2025: HK\$1,838.8 million) and current liabilities of HK\$2,663.2 million (31 December 2025: HK\$1,172.7 million). The current ratio was 1.30 times as at 30 June 2026 (31 December 2025: 1.57 times).

The Group's debtor's turnover period was 40 days for the six months ended 30 June 2026 as compared to 57 days for the corresponding period in 2025. The overall debtors' turnover period was within the credit period.

The creditors' turnover period was 23 days for the six months ended 30 June 2026 as compared with 32 days for the corresponding period in 2025. Creditors' turnover period has been maintaining at a reasonable level.

The inventories' turnover period was 19 days for the six months ended 30 June 2026 as compared with 21 days for the corresponding period in 2025. The inventories' turnover period has been maintaining at a stable level.

Foreign currency exposure

The Group's transactions are principally denominated in United States dollars and Renminbi. The Group had not experienced any material difficulties or material adverse impacts on its operation despite the fluctuations in currency exchange rates and the net foreign exchange gain of approximately HK\$5.1 million during the six months ended 30 June 2026 (six months ended 30 June 2025: net foreign exchange loss of approximately HK\$1.0 million). At the date of this announcement, the Group has not adopted any foreign currency hedging policy. However, the Group will consider the use of foreign exchange forward contracts to reduce the currency exposures in case the exposures become significant.

Pledge of assets

As at 30 June 2026, the financial assets at fair value through profit or loss ("FVTPL") amounted to HK\$130.5 million (31 December 2025: HK\$134.1 million) and bank deposits amounted to HK\$288.6 million (31 December 2025: HK\$182.7 million) had been charged as security for the bank borrowings and financing arrangement of the Group.

Capital commitment and contingent liabilities

The Group had no material capital commitment and contingent liabilities as at 30 June 2026.

Significant investment held

Save for the financial assets at FVTPL as disclosed above and the financial assets at FVTOCI and investment in associates as stated in the condensed consolidated statement of financial position, the Group did not hold any significant investments during the six months ended 30 June 2026.

Material acquisition and disposal of subsidiaries and associated companies

The Group has no material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

EVENTS AFTER 30 JUNE 2026

On 13 July 2026, the Company completed a placing of 97,736,000 new shares at HK\$3.00 per share, raising net proceeds of approximately HK\$291.3 million. The proceeds are intended to be used for expanding the Group's procurement and inventory of memory chips and optoelectronic components.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards. The Board believes that good corporate governance (which includes adopting an effective management accountability system and high standard of business ethics), can provide a framework that is essential to the Company's sustainable development and to safeguard the interests of the Shareholders, suppliers, customers, employees and other stakeholders.

The Company has adopted the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) contained in Appendix C1 to the Listing Rules as its own code of corporate governance. Except for code provision C.2.1 as disclosed below in this announcement, the Company has complied with the applicable code provisions of the CG Code during the six months ended 30 June 2026. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

Pursuant to code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual.

The Company deviates from code provision C.2.1 as Mr. Tian Weidong currently serves as both the Chairman and the Chief Executive Officer. The Board believes that vesting the roles of both chairman and chief executive officer in the same person offers the advantage of ensuring consistent leadership within the Group and facilitates more effective and efficient overall strategic planning for the Group. The Board considers that the present arrangement will not impair the balance of power and authority and that this enables the Company to make and implement decisions promptly and effectively. The Board will continue to review this structure and consider separating the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 as its own code of conduct regarding securities transactions by the Directors. The Company has made specific enquiry of the Directors, and all Directors confirmed that they had fully complied with the Model Code for the six months ended 30 June 2026.

AUDIT COMMITTEE

The Company has established an audit committee, comprising three independent non-executive Directors, namely Dr. Tang Ming Je, Ms. Xu Wei and Dr. Lin Chen. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group and provide comment and advice to the Board. The audit committee has reviewed the interim results of the Group for the six months ended 30 June 2026 (the “**interim financial statements**”) and discussed with the external auditors on the result of an independent review of the interim financial statements as well as with the management on the accounting policies adopted by the Group, internal controls and financial reporting matters of the Group.

PUBLICATION OF INTERIM RESULTS

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.smart-core.com.hk). The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules and other applicable laws and regulations will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Smart-Core Holdings Limited
Tian Weidong
Chairman and Executive Director

Hong Kong, 25 August 2026

As at the date of this announcement, the Board comprises Mr. Tian Weidong (Chairman), Mr. Liu Hongbing, Mr. Mak Hon Kai Stanly and Mr. Zheng Gang as executive Directors, Mr. Wong Tsz Leung as non-executive Director, Dr. Tang Ming Je, Ms. Xu Wei and Dr. Lin Chen as independent non- executive Directors.