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

2026
INTERIM REPORT

Contents

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

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People's Republic of China

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Hong Kong

AUDITOR

KPMG
Public Interest Entity Auditor
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LEGAL ADVISOR

Reed Smith Richards Butler LLP
17/F, One Island East
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Quarry Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

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Cayman Islands

HONG KONG SHARE REGISTRAR

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17/F, Hopewell Centre
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Hong Kong

PRINCIPAL BANKERS

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

COMPANY WEBSITE

www.cowelleholdings.com

Management Discussion and Analysis

BUSINESS REVIEW

Cowell e Holdings Inc. (the "**Company**", together with its subsidiaries, the "**Group**") is a supplier of delicate optical modules for electronic mobile devices, specialising in the design, development, manufacture and sale of optical modules and related components. Its products are widely used in smartphones, multimedia tablets, smart driving and other mobile terminal devices of internationally-renowned brand customers.

In the first half of 2026, the Group's precision optics business continued its positive growth momentum. Although global economic recovery still faces multiple challenges, including changes in geopolitics, trade environment and demand in the consumer electronics market, driven by the rapid adoption of spatial awareness, computational photography and edge artificial intelligence ("**AI**") capabilities, the smart device industry continues to accelerate its transition toward AI-driven intelligence. Brand manufacturers continue to prioritize enhancing imaging experiences and product differentiation to consolidate their positions in the high-end market, thereby opening up broader development opportunities for high-specification precision optical products. Leveraging its mature research and development ("**R&D**") system and process implementation capabilities, the Group continues to optimize its product mix and cost efficiency while strengthening customer loyalty and expanding collaboration with key clients. As a result, it has maintained its leading position and stable competitive advantage amid the industry's structural transformation.

The Group continues to focus on innovation in precision optical technology and the development of advanced manufacturing capabilities, fully leveraging its strengths in product R&D, manufacturing processes and mass production to actively support major global customers in new product development and mass production rollouts. Although prices of certain raw materials and components in the global consumer electronics supply chain remain volatile, with the price of storage fluctuating more significantly, overall demand and product planning from high-end brand clients have remained relatively stable due to their strong brand influence and product competitiveness, and the impact of price fluctuations has been relatively limited. Consequently, leveraging its robust supply chain management capabilities and long-term partnerships with key leading clients, the Group has maintained steady overall business growth.

Relying on its leading technology accumulation in the field of high-precision optical modules, the Group has been actively expanding its extended applications in emerging scenarios and deepening in-depth strategic synergies with its partners to transform its research and development outcomes into multi-terminal forms and continue to expand its market share, enhance its cross-cycle risk resilience and explore development opportunities for its long-term growth in the future.

The Group's revenue amounted to approximately US$1,604.7 million for the six months ended 30 June 2026 (the "**Reporting Period**"), representing an increase of approximately 18.0% as compared to the corresponding period in 2025, which was mainly attributable to the increase in customer demand, higher shipments of high-end products and continued optimization of the product mix.

The Group's net profit amounted to approximately US$89.6 million in the Reporting Period as compared with the net profit of approximately US$67.4 million in the first half of 2025.

OUTLOOK AND FUTURE STRATEGIES

According to the World Economic Outlook Update published by the International Monetary Fund (IMF) in July 2026, the global economic growth forecast has been revised from 3.3% at the beginning of the year to 3.0%. This reflects the pressure on economic activity caused by factors such as the war in the Middle East, fluctuations in energy prices and the fragmentation of global trade. However, investment in AI and the technology cycle continue to gain momentum, while capital expenditures in the technology sector remain robust. Demand in the semiconductor and other AI-related industries remains strong, providing some support to the global economy and partially offsetting the negative impact of regional conflicts. Overall, technological innovation and digital transformation continue to inject new growth momentum into the physical economy. Industrial upgrades in sectors such as AI, semiconductors, smart devices, and automation will become key drivers of global economic development in the medium to long term.

As the applications for optical technologies, such as smart devices, machine vision, micro-displays and automotive electronics, continue to expand, customer demand for optical technologies and precision manufacturing capabilities is rising in tandem. Companies with technological innovation and large-scale manufacturing capabilities are expected to continue benefiting from this industrial upgrade.

Among the businesses of the Group, optical modules are not only essential functional components of end products, but also serve as a critical foundational capability enabling numerous smart devices to perceive their environment and collect information. The Group also continues to monitor trends in the development of new types of smart devices. In particular, lightweight smart devices equipped with environmental perception and human-machine interaction capabilities are gradually emerging as a key area of exploration within the industry.

With the rapid development of AI technology, smart terminals are accelerating their evolution towards multi-modal interaction and real-time visual recognition. As on-device computing capacity continues to improve, AI mobile phones, AI PCs, edge intelligent devices and other application scenarios will continue to expand and gradually enter the stage of large-scale deployment. As seen in industry exhibitions such as the Consumer Electronics Show 2026 (CES 2026) and the Mobile World Congress (MWC 2026), the integration of AI with the physical world has moved beyond technological demonstrations toward practical deployment. Device form factors are becoming increasingly diverse, and new types of wearable devices (such as smart glasses) are rapidly transitioning from proof-of-concept to the early stages of commercialization, placing higher demands on visual perception and interaction capabilities. Against this backdrop, camera modules, as the core sensing components for environmental perception, are evolving toward higher-precision optical performance, more compact miniaturized designs, optimized power management and system-level adaptability across multiple scenarios. Keeping pace with industry trends, the Group continues to improve its technical capabilities to provide end customers with more competitive optical solutions.

At the same time, the Group is actively promoting the in-depth extension of AI technology from "product empowerment" to "system empowerment". The Group is continuously expanding the application of AI technology in core business areas such as operational management, R&D and innovation, and smart manufacturing. AI has gradually evolved from a standalone tool into an intelligent collaborative capability that spans multiple business processes, continuously enhancing decision-making efficiency and operational effectiveness in areas such as product R&D, engineering design, production scheduling, quality management and operational management. Meanwhile, the Group is actively promoting the in-depth integration of industrial data, intelligent algorithms and manufacturing scenarios to accelerate the conversion of data assets into productivity. These applications have further enhanced the efficiency of collaboration across R&D, manufacturing and the supply chain, continuously strengthening the Group's competitive edge in smart manufacturing. Through this in-depth integration of "data-driven, AI collaboration and manufacturing", the Group is gradually building an insurmountable technological barrier to competition, realising the leap from traditional scale expansion to a high-quality and high operational leverage growth model and ensuring that we can always maintain excellent profit quality and strategic initiative in the competition along the global industrial chain.

In addition, in terms of display and advanced optics, the Group is highly concerned about the industrialisation progress of MicroLEDs and related miniaturised optical technologies. Combined with our own profound optical technology reserves, we have taken a prudent and proactive approach for the construction of related core competencies, aiming to ensure leading technological participation and market access in the evolution of new-generation high-performance displays and multi-dimensional sensory terminal forms through technological breakthroughs and industry synergies.

The Group will continue to strengthen its investment in R&D and deepen the construction of its technology platform to ensure a stable competitive edge in the face of industrial transformation. Adhering to the development strategy of "solidifying the core and extending capabilities", the Group will focus on strengthening the R&D synergy and large-scale delivery capability of high-end optical modules in its core business of consumer electronics. By optimising our product mix and manufacturing efficiency, we will strengthen and enhance our long-term competitive position in the supply chain system of our core customers.

Talent remains as the core resource for the Group's long-term development. In the future, the Group will continue to introduce and nurture high-end professionals in key technological areas, optimise its organisational structure and interdepartmental collaboration mechanism to support the development of multi-scenario and multi-product platforms, so as to better respond to the ever-escalating technological needs of our customers. The Group will continue to deepen the integration of R&D, process and manufacturing, and strengthen the synergistic enhancement between engineering and manufacturing capabilities and innovation capabilities, with a view to providing customers with stable and high-quality products and services.

Looking forward, the Group will continue to capitalize on the opportunities for industrial upgrading brought about by AI and the new wave of technological revolution. We will remain committed to the philosophy that innovation drives development, fully tap into the potential of our existing customers, actively expand into new blue-ocean markets, and continue to develop our technological expertise and capacity building. In the face of the global restructuring of industrial chains and the wave of intelligent transformation, the Group will promote technological innovation and business upgrades with a long-term perspective, creating greater value for customers and delivering long-term, stable returns to shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group had total assets of approximately US$1,514.1 million (31 December 2025: US$1,543.7 million); net current assets of approximately US$435.8 million (31 December 2025: US$463.9 million) and total equity of approximately US$812.7 million (31 December 2025: US$731.4 million).

The Group continued to maintain a strong and solid financial position. As at 30 June 2026, 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 2026, guarantee is provided by the Company and an intermediate holding company to secure the banking facilities of US$411.1 million granted to the Group (31 December 2025: US$398.4 million).

BORROWINGS

As at 30 June 2026, the Group had aggregate banking facilities of approximately US$1,152.3 million (31 December 2025: US$1,284.4 million), of which US$141.8 million were utilized. The bank borrowings amounted to a total of USD133.8 million (31 December 2025: USD29.6 million) were repayable within one year, and USD8.0 million (31 December 2025: USD101.9 million) were repayable within a period of more than one year. The bank borrowings were denominated in RMB and USD. 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 2026. As at 30 June 2026, no bank borrowing was secured by any assets of the Group.

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 2026, the gearing ratio of the Group was -56.7% (31 December 2025: -23.6%) which was primarily due to an increase in its cash and cash equivalents.

PLEDGE OF THE GROUP'S ASSETS

As at 30 June 2026, the Group did not have any encumbrances, mortgage, loan, charge on our assets (31 December 2025: Nil).

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$49.1 million, compared with US$44.4 million for the six months ended 30 June 2025. 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 opportunities (if needed and when suitable).

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 Chinese Mainland 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 2026, 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 2026.

CONTINGENT LIABILITIES

As at 30 June 2026, 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 2026.

HUMAN RESOURCES

The Group employed a total of approximately 7,274 employees as at 30 June 2026 (31 December 2025: 6,854). Total staff costs for the Reporting Period, excluding Directors' remuneration, was approximately US$65.6 million (six months ended 30 June 2025: US$61.8 million).

In particular, professional employment agencies located in Dongguan, Chinese Mainland, 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 Company'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 of the personnel.

Furthermore, to provide incentive or reward to our employees for their contribution to, and continuing efforts to promote the interests of, the Group with greater flexibility, the Group had adopted a new Share Option Scheme on 5 May 2021 (the "**Share Option Scheme**"). For the Reporting Period, 816,000 options had been exercised, 190,000 options had been cancelled and 140,000 options had been lapsed. During the six months ended 30 June 2025, 672,000 options were exercised, 274,000 options were cancelled and 180,000 options were lapsed. As at 30 June 2026, 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 39,636,880, representing approximately 4.6% 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. 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 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 financial report of the Company for the year ended 31 December 2025. For the Reporting Period, 40,000 share awards (six months ended 30 June 2025: 400,000 share awards) were lapsed and no share awards (six months ended 30 June 2025: Nil) were granted, vested, cancelled or exercised under the Share Award Scheme. 10,184,000 share awards (six months ended 30 June 2025: 13,220,000 share awards) were outstanding as at 30 June 2026. Subsequent to the Reporting Period, on 3 July 2026, the Company granted a total of 12,929,000 share awards pursuant to the rules of the Share Award Scheme. For further details, please refer to the announcement of the Company dated 3 July 2026.

Supplementary Information

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 2026, 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

Name	Title	Nature of interest	Number of shares or underlying shares of the Company	Percentage of aggregate interests to the total number of shares in issue of the Company
Mr. Meng Yan	Executive Director, Chairman	Beneficial interest *(Note)*	1,992,000	0.23%
Mr. Wu Ying-Cheng	Executive Director, Chief executive officer and Chief financial officer	Beneficial interest *(Note)*	1,263,000	0.15%
Mr. Chen Han-Yang	Non-executive Director	Beneficial interest *(Note)*	1,000,000	0.12%
Mr. Yang Li	Non-executive Director	Beneficial interest *(Note)*	560,000	0.06%

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)

Name	Title	Nature of interest	Number of shares or underlying shares	Approximate percentage of aggregate interests to the total number of share in issue
Mr. Meng Yan	Executive Director, Chairman	Beneficial interest *(Note)*	14,716,000	1.07%
Mr. Wu Ying-Cheng	Executive Director, Chief executive officer and Chief financial officer	Beneficial interest *(Note)*	3,162,000	0.23%
Mr. Chen Han-Yang	Non-executive Director	Beneficial interest *(Note)*	6,633,000	0.48%
Mr. Yang Li	Non-executive Director	Beneficial interest *(Note)*	7,569,000	0.55%

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.

Save as disclosed above, as of 30 June 2026, 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 2026, 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

Name of shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest(2)
Luxvisions Innovation Technology Limited(1)	Beneficial interest	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
Ms. Wang Laichun(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
Mr. Wang Laisheng(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
Ms. Wang Laijiao(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
Mr. Wang Laixi(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
Luxsan(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
LIL(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)
LITCL(1)	Interest in a controlled corporation	607,455,760 551,229,760	69.90% (L) 63.43% (S)(3)

(1) Luxvisions Innovation Technology Limited ("**LITL**") is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of LITCL. LITCL is a company incorporated in the Chinese Mainland and owned as to approximately 48.06% by Luxvisions Innovation Limited ("**LIL**"), a company incorporated in Hong Kong with limited liability, which in turn is owned 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, LIL and LITCL is deemed, or taken to be, interested in the Shares held by LITL for the purposes of the SFO.

(2) As at 30 June 2026, the total number of issued shares of the Company was 868,981,800 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 the said bank, representing approximately 63.43% of the total issued share capital of the Company as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, 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 2026.

SHARE OPTION SCHEME

The Company's existing share option scheme (the "**Share Option Scheme**" or the "**Scheme**") was adopted pursuant to the resolution of our shareholders passed 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 2025: 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 9.59% of the total number of issued shares of the Company as at the date of this Report.

Movement of the Options under the Share Option Scheme during the Reporting Period are listed below:

MOVEMENT OF THE OPTIONS

	Number of Options								
	Outstanding as at 1 January 2026	Exercised	Cancelled	Lapsed	As at 30 June 2026	Exercise Price (HK$)	Closing price of the Shares before the date of grant (HK$)	Date of grant[3]	Vesting Period
Director of the Company									
Meng Yan[1]	1,992,000	–	–	–	**1,992,000**	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Wu Ying-Cheng[1]	1,263,000	–	–	–	**1,263,000**	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Chen Han-Yang[1]	1,000,000	–	–	–	**1,000,000**	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Yang Li[1]	560,000	–	–	–	**560,000**	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Employee participants									
Continuous contract employee[1]	8,687,000	268,000	190,000	140,000	**8,089,000**	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Continuous contract employee[2]	6,494,000	548,000	–	–	**5,946,000**	4.84	4.758	15 October 2021	15 October 2021 to 14 October 2026
Total	**19,996,000**	**816,000**	**190,000**	**140,000**	**18,850,000**				

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 2026, 816,000 options (six months ended 30 June 2025: 672,000 options) were exercised under the Share Option Scheme and the weighted average closing price of the Shares immediately before the dates on which the options were exercised was HK$28.2308 (six months ended 30 June 2025: HK$26.2240).

Considering a total of 62,650,000 options were granted before the year ended 31 December 2021, and no options were granted during the subsequent periods and the Reporting Period, the number of options available for grant under the Scheme Mandates Limit as at 1 January 2026 and 30 June 2026 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 38,580,880, representing approximately 4.43% 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 2026 divided by the weighted average number of Shares in issue for the period is 4.60%.

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 2025. 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 2025: Nil) under the Share Award Scheme. The total number of awarded shares for the Share Award Scheme limit represents 9.81% 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 2026	Granted during the reporting period	Cancelled during the reporting period	Lapsed during the reporting period	As at 30 June 2026	Closing price of the Shares before the date of grant (HK$)	Date of grant[(1)]	Vesting Period[(1)]
Employee participants[(3)]								
Continuous contract employee[(2)]	10,224,000	–	–	40,000	**10,184,000**	20.85	20 September 2024	20 September 2025 to 20 September 2029
Total	**10,224,000**	**–**	**–**	**40,000**	**10,184,000**			

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 granted, vested and cancelled. 40,000 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 2026 and 30 June 2026 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 2025.

The total number of Shares that may be issued in respect of options and awards granted under all share schemes of the Company during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue for the six months ended 30 June 2026 was 12.93%.

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 (six months ended 30 June 2025: 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 the Listing Rules). The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2026 or as at the date of this interim report.

Subsequent to the date of this interim report, the Company repurchased an aggregate of 1,285,000 ordinary shares on the Stock Exchange at an aggregate consideration of approximately HK$30.1 million (before expenses) (the "**Repurchases**") pursuant to the general mandate to repurchase shares granted by the shareholders at the annual general meeting of the Company held on 28 May 2026 and the share repurchase plan of the Company as detailed in the announcement of the Company dated 3 July 2026. Set out below are the particulars of the Repurchases:

Month	**No. of Shares repurchased**	**Price per Share (HK$)**			**Approximate consideration paid (HK$)**
		Highest	**Lowest**	**Average**	
August	1,285,000	23.90	22.50	23.4224	30,097,780
Total	**1,285,000**				**30,097,780**

All Repurchases were made on the Stock Exchange and effected for the enhancement of shareholder value in the long term. None of the above Repurchases were made by any subsidiary of the Company, by private arrangement, on another stock exchange or by way of a general offer. All Repurchases was funded by the Company's internal resources.

All 1,285,000 shares repurchased subsequent to the Reporting Period have been held as treasury shares in accordance with the Companies Act (As Revised) of the Cayman Islands, the articles of association and the Listing Rules. No repurchased shares were cancelled. As at 31 August 2026, the Company held a total of 1,285,000 treasury shares representing approximately 0.148% of the total number of issued share (excluding treasury shares) of the Company. The treasury shares may be utilised for future on-market sales / transfer and/or satisfying share awards under the Company's share award scheme in compliance with Chapter 17 of the Listing Rules, subject to market conditions and the Company's capital management needs at the relevant time.

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, the Company has fully complied with the applicable Code Provisions and had regulated its operation and carried out appropriate governance in accordance with the 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 Directors' securities transactions adopted by the Company throughout the Reporting Period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, 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, 17 August 2026

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

(Incorporated in the Cayman Islands with limited liability)

KPMG

Introduction

We have reviewed the interim financial report set out on pages 22 to 36 which comprises the consolidated statement of financial position of Cowell e Holdings Inc. ("**the Company**") as of 30 June 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, 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 2026 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

17 August 2026

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2026 — unaudited
(Expressed in United States dollars)

		Six months ended 30 June	
	Note	2026 $'000	2025 $'000
Revenue	3 & 4	**1,604,742**	1,360,302
Cost of sales		**(1,424,635)**	(1,204,625)
Gross profit		**180,107**	155,677
Other income		**5,173**	9,573
Selling and distribution expenses		**(1,695)**	(2,114)
Administrative expenses		**(75,192)**	(68,433)
Profit from operations		**108,393**	94,703
Finance costs	5(a)	**(3,228)**	(9,572)
Share of loss of an associate		**(252)**	(115)
Profit before taxation	5	**104,913**	85,016
Income tax	6	**(15,290)**	(17,613)
Profit for the period		**89,623**	67,403
Attributable to:			
Equity shareholders of the Company		**89,874**	67,398
Non-controlling interests		**(251)**	5
Profit for the period		**89,623**	67,403
Earnings per share	7		
Basic		**$0.104**	$0.078
Diluted		**$0.101**	$0.075

The notes on pages 29 to 36 form part of this interim financial report.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2026 — unaudited
(Expressed in United States dollars)

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Profit for the period	**89,623**	67,403
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	**25,362**	4,040
Item that will not be reclassified to profit or loss:		
Remeasurement of net defined benefit obligation	**1**	(12)
Other comprehensive income for the period	**25,363**	4,028
Total comprehensive income for the period	**114,986**	71,431
Attributable to:		
Equity shareholders of the Company	**115,053**	71,395
Non-controlling interests	**(67)**	36
Total comprehensive income for the period	**114,986**	71,431

The notes on pages 29 to 36 form part of this interim financial report.

Consolidated Statement of Financial Position

at 30 June 2026 — unaudited
(Expressed in United States dollars)

	Note	At 30 June 2026 $'000	At 31 December 2025 $'000
Non-current assets			
Property, plant and equipment	8	379,854	367,392
Intangible assets		800	1,065
Interest in an associate		8,358	8,348
Prepayments and other receivables		20,243	13,747
Net defined benefit retirement obligation		26	—
Deferred tax assets		12,657	13,867
		421,938	404,419
Current assets			
Inventories		217,875	231,337
Trade and other receivables	9	404,263	600,582
Current tax recoverable		—	3
Bank deposits with more than three months to maturity when placed	10	66,071	157,922
Cash and cash equivalents	10	403,963	149,439
		1,092,172	1,139,283
Current liabilities			
Trade and other payables	11	512,690	635,364
Bank loans		133,840	29,573
Lease liabilities		4,922	5,146
Current tax payable		4,936	5,349
		656,388	675,432
Net current assets		435,784	463,851
Total assets less current liabilities		857,722	868,270

Consolidated Statement of Financial Position

at 30 June 2026 — unaudited
(Expressed in United States dollars)

	Note	At 30 June 2026 $'000	At 31 December 2025 $'000
Non-current liabilities			
Bank loans		**8,004**	101,912
Lease liabilities		**29,245**	30,852
Net defined benefit retirement obligation		**—**	14
Deferred income		**7,822**	4,061
		45,071	136,839
NET ASSETS		**812,651**	731,431
CAPITAL AND RESERVES			
Share capital		**3,476**	3,473
Reserves		**803,939**	722,655
Total equity attributable to equity shareholders of the Company		**807,415**	726,128
Non-controlling interests		**5,236**	5,303
TOTAL EQUITY		**812,651**	731,431

The notes on pages 29 to 36 form part of this interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 — unaudited
(Expressed in United States dollars)

	Note	Attributable to equity shareholders of the Company											
		Share capital	Share premium	Shares held for share award scheme	Capital reserve	Capital redemption reserve	Other reserve	General reserve fund	Exchange reserve	Retained profits	Total	Non-controlling interest	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'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		–	–	–	–	–	–	–	–	67,398	67,398	5	67,403
Other comprehensive 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		–	–	–	–	–	–	4,721	–	(4,721)	–	–	–
Shares issued under share option scheme	12(b)	3	423	–	(52)	–	–	–	–	–	374	–	374
Shares purchased for share award scheme	12(c)	–	–	(4,907)	–	–	–	–	–	–	(4,907)	–	(4,907)
Equity settled share-based transactions		–	–	–	9,840	–	–	–	–	–	9,840	–	9,840
Share options lapsed/cancelled		–	–	–	(30)	–	–	–	–	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

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2026 — unaudited
(Expressed in United States dollars)

Attributable to equity shareholders of the Company

	Note	Share capital $'000	Share premium $'000	Shares held for share award scheme $'000	Capital reserve $'000	Capital redemption reserve $'000	Other reserve $'000	General reserve fund $'000	Exchange reserve $'000	Retained profits $'000	Total $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 January 2026		3,473	80,571	(25,039)	15,535	7	1,640	61,127	(36,709)	625,523	726,128	5,303	731,431
Changes in equity for the six months ended 30 June 2026:													
Profit for the period		–	–	–	–	–	–	–	–	89,874	89,874	(251)	89,623
Other comprehensive income		–	–	–	–	–	–	–	25,178	1	25,179	184	25,363
Total comprehensive income		–	–	–	–	–	–	–	25,178	89,875	115,053	(67)	114,986
Transfer from retained profits		–	–	–	–	–	–	7,396	–	(7,396)	–	–	–
Shares issued under share option scheme	12(b)	3	546	–	(69)	–	–	–	–	–	480	–	480
Equity settled share-based transactions		–	–	–	4,557	–	–	–	–	–	4,557	–	4,557
Share options lapsed/cancelled		–	–	–	(30)	–	–	–	–	30	–	–	–
Dividends approved in respect of the previous year	12(a)	–	–	–	–	–	–	–	–	(38,803)	(38,803)	–	(38,803)
Balance at 30 June 2026		3,476	81,117	(25,039)	19,993	7	1,640	68,523	(11,531)	669,229	807,415	5,236	812,651

The notes on pages 29 to 36 form part of this interim financial report.

Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2026 — unaudited
(Expressed in United States dollars)

	Note	Six months ended 30 June 2026 $'000	Six months ended 30 June 2025 $'000
Operating activities			
Cash generated from operations		**207,682**	210,027
Tax paid, net		**(13,830)**	(23,897)
Net cash generated from operating activities		**193,852**	186,130
Investing activities			
Payment for purchase of property, plant and equipment		**(49,102)**	(44,370)
Proceeds from sale of property, plant and equipment		**3,503**	—
Proceeds from matured bank deposits		**170,619**	164,281
Placement of new bank deposits		**(75,189)**	(79,356)
Other cash flows arising from investing activities		**9,711**	4,581
Net cash generated from investing activities		**59,542**	45,136
Financing activities			
Proceeds from new bank loans		**154,681**	697,948
Repayment of bank loans		**(147,917)**	(614,439)
Capital element of lease rentals paid		**(3,436)**	(2,410)
Interest element of lease rentals paid		**(854)**	(896)
Proceeds from shares issued under share option scheme		**480**	374
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		**(2,568)**	(6,674)
Net cash generated from financing activities		**386**	58,475
Net increase in cash and cash equivalents		**253,780**	289,741
Cash and cash equivalents at 1 January	*10*	**149,439**	113,349
Effect of foreign exchange rates changes		**744**	884
Cash and cash equivalents at 30 June	*10*	**403,963**	403,974

The notes on pages 29 to 36 form part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

1 Basis of preparation

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 17 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes 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 21.

The financial information relating to the financial year ended 31 December 2025 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.

2 Changes in accounting policies

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements.

The amendments to IFRS 9, *Financial instruments* and IFRS 7*, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments* do not have a material effect on the Group's results and financial position prepared or presented in this interim financial report.

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

3 Revenue and segment 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 2026 includes one customer (2025: one customer). Revenues from sales to this customer during the reporting period are set out below.

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Largest customer	**1,593,338**	1,334,437
— Percentage of total revenue	**99.3%**	98.1%

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:

	Six months ended 30 June	
	2026	2025
	$'000	$'000
The People's Republic of China ("**PRC**") (including Hong Kong)	**1,480,280**	1,230,772
The Republic of Korea ("**Korea**")	**599**	600
India	**23,595**	59,673
Vietnam	**100,268**	69,257
	1,604,742	1,360,302

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 2026, the Group recorded a revenue of $3,744,494,000 (twelve months ended 30 June 2025: $3,268,626,000), and gross profit of $383,158,000 (twelve months ended 30 June 2025: $375,043,000).

5 Profit before taxation

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

	Six months ended 30 June	
	2026	2025
	$'000	$'000
(a) Finance costs		
Interest on bank loans	**2,374**	8,676
Interest on lease liabilities	**854**	896
	3,228	9,572
(b) Other items		
Amortisation	**251**	248
Depreciation	**35,708**	32,203
Research and development costs (other than depreciation and amortisation)	**55,004**	54,330
Interest income	**(9,692)**	(4,497)
Net loss on disposal of property, plant and equipment	**2,630**	3,134
Reversal of loss allowance for expected credit loss	**—**	(519)

6 Income tax expense

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

	Six months ended 30 June	
	2026 **$'000**	2025 $'000
Current tax — Hong Kong Profits Tax	**1,491**	7,099
Current tax — Outside Hong Kong	**11,966**	(50)
Withholding tax on dividend income outside Hong Kong	**—**	10,000
Deferred taxation	**1,833**	564
Income tax expense	**15,290**	17,613

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% (2025: 16.5%) for the six months ended 30 June 2026, 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 2025.

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 2026 and 2025 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 10% for assessable income below Korean Won ("**KRW**") 200 million, 20% for assessable income between KRW200 million and KRW20 billion, 22% for assessable income between KRW20 billion and KRW300 billion, and 25% for assessable income above KRW300 billion for 2026 (2025: 9% for assessable income below KRW200 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).

Withholding tax on dividend received is charged at 5%.

(b) Pillar Two income tax

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") published by the Organisation for Economic Co-operation and Development.

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.

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 $89,874,000 (six months ended 30 June 2025: $67,398,000) and weighted average of 860,912,000 ordinary shares (six months ended 30 June 2025: weighted average of 861,664,000 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 $89,874,000 (six months ended 30 June 2025: $67,398,000) and the weighted average number of ordinary shares of 887,717,000 (six months ended 30 June 2025: 896,699,000 shares).

8 Property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2026, 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 $927,000 (six months ended 30 June 2025: $3,494,000). In addition, the Group disposed of right-of-use assets of $1,269,000 (six months ended 30 June 2025: $1,548,000), resulting in a gain on disposal of $10,000 (six months ended 30 June 2025: $47,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2026, the Group acquired items of plant and equipment with a cost of $46,951,000 (six months ended 30 June 2025: $30,166,000). Items of plant and equipment with a net book value of $14,711,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: $4,656,000), resulting in a loss on disposal of $2,640,000 (six months ended 30 June 2025: $3,181,000).

9 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 2026 $'000	At 31 December 2025 $'000
Within 1 month	343,405	573,839
Over 1 to 2 months	1,658	3,347
Over 2 to 3 months	2,886	194
Over 3 months	69	815
Trade receivables, net of loss allowance	348,018	578,195
Other receivables and prepayments	56,245	22,387
	404,263	600,582

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 2026 $'000	At 31 December 2025 $'000
Cash at bank and on hand	**403,963**	149,439
Cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated cash flow statement	**403,963**	149,439
Bank deposits with more than three months to maturity when placed	**66,071**	157,922

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 2026 $'000	At 31 December 2025 $'000
Within 1 month	**411,266**	422,443
Over 1 to 3 months	**16,998**	103,812
Over 3 to 6 months	**5,740**	65,650
Trade payables	**434,004**	591,905
Accrued charges and other payables	**39,883**	43,459
Dividend payable	**38,803**	—
	512,690	635,364

12 Capital and reserves

(a) Dividends

Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period:

	Six months ended 30 June	
	2026	2025
	$'000	$'000
Final dividend in respect of the previous financial year, approved during the interim period, of HK$0.35 per share (six months ended 30 June 2025: Nil)	**38,803**	—

The final dividend of HK$0.35 per ordinary share for the year ended 31 December 2025, totalling approximately HK$304,074,000 (equivalent to $38,803,000), was approved by shareholders at the annual general meeting of the Company held on 28 May 2026 and was paid on 3 July 2026.

(b) 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 2026, no share options (six months ended 30 June 2025: no share options) were granted, 330,000 options (six months ended 30 June 2025: 454,000 options) were lapsed/cancelled and 816,000 options (six months ended 30 June 2025: 672,000 options) were exercised under the Share Option Scheme.

During the six months ended 30 June 2026, 40,000 share awards (six months ended 30 June 2025: 400,000 share awards) were lapsed and no share awards were granted, vested, cancelled or exercised (six months ended 30 June 2025: Nil) under the Share Award Scheme. 10,184,000 share awards (six months ended 30 June 2025: 13,220,000 share awards) were outstanding as at 30 June 2026.

(c) Purchase of own shares

It represents the consideration paid for the ordinary shares of the Company purchased and held for Share Award Scheme. As at 30 June 2026, a total number of 7,487,600 (31 December 2025: 7,487,600) ordinary shares of the Company were held for Share Award Scheme. During the six months ended 30 June 2026, no ordinary shares of the Company were purchased by the trustee (six months ended 30 June 2025: 2,000,000 ordinary shares for a total amount of approximately HK$38,177,000 (equivalent to approximately $4,907,000)).

13 Commitments

Capital commitments outstanding at 30 June 2026 not provided for in the interim financial report

	At 30 June 2026 $'000	At 31 December 2025 $'000
Contracted for	33,575	12,264

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 $572,000 (six months ended 30 June 2025: $918,000).

(b) Material transactions with related parties

	Six months ended 30 June	
	2026 $'000	2025 $'000
Sales of goods		
— an intermediate holding company and its subsidiaries	5,301	2,252
— non-controlling interest	—	22,895
Purchase of raw materials		
— an intermediate holding company and its subsidiaries	614	6,043
— related companies*	124,759	71,874
Sales of equipment to intermediate holding company and its subsidiaries	4,896	—
Purchase of equipment from related companies*	903	1,156
Purchase of labour service		
— an intermediate holding company and its subsidiaries	—	71
— related companies*	1,748	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 2026, guarantee is provided by the Company and an intermediate holding company to secure the banking facilities granted amounting to $411 million (31 December 2025: $398 million).