niche**tech**

NICHE-TECH SEMICONDUCTOR MATERIALS LIMITED
駿碼半導體材料有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8490)

INTERIM REPORT 2026

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This report, for which the board (the "**Board**") of directors (the "**Directors**") of Niche-Tech Semiconductor Materials Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (together, the "**Group**"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Six months ended 30.6.2026 HK$'000 (unaudited)	30.6.2025 HK$'000 (unaudited)
Revenue	4	**64,543**	76,846
Cost of sales		**(55,540)**	(66,291)
Gross profit		**9,003**	10,555
Other income, other gains and losses	5	**274**	(216)
Net impairment losses reversed under expected credit loss model		**360**	341
Impairment loss on intangible assets	6	**–**	(18,816)
Selling and distribution expenses		**(4,166)**	(4,163)
Administrative expenses		**(13,319)**	(14,323)
Finance costs	7	**(2,335)**	(2,955)
Loss before taxation		**(10,183)**	(29,577)
Income tax expense	8	**(1,060)**	(884)
Loss for the period	9	**(11,243)**	(30,461)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTE	Six months ended 30.6.2026 HK$'000 (unaudited)	30.6.2025 HK$'000 (unaudited)
Other comprehensive income/(expense)			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation from functional currency to presentation currency		**8,456**	8,166
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(3,037)**	(2,636)
Other comprehensive income for the period		**5,419**	5,530
Total comprehensive loss for the period		**(5,824)**	(24,931)
Loss per share – basic *(HK cents)*	*11*	**(1.59)**	(4.32)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
NON-CURRENT ASSETS			
Plant and equipment	12	**25,206**	26,936
Right-of-use assets		**5,504**	6,961
Intangible assets	12	**80,774**	84,659
Deposits paid for acquisition of plant and equipment		**545**	–
Rental deposits		**115**	568
Deferred tax assets		**2,428**	2,342
		114,572	121,466
CURRENT ASSETS			
Inventories		**35,075**	37,185
Trade and bills receivables	13(a)	**75,714**	81,459
Other receivables, prepayments and deposits	13(b)	**30,560**	30,924
Tax receivable		**–**	591
Bank balances and cash		**7,311**	6,750
		148,660	156,909
CURRENT LIABILITIES			
Trade and other payables	14	**17,588**	19,915
Contract liabilities		**334**	352
Lease liabilities	16	**3,443**	3,960
Deferred income		**255**	882
Amount due to directors		**15,765**	11,302
Tax payable		**351**	–
Bank borrowings	15(a)	**67,777**	77,231
Bank overdraft	15(b)	**17,888**	17,888
		123,401	131,530
NET CURRENT ASSETS		**25,259**	25,379
TOTAL ASSETS LESS CURRENT LIABILITIES		**139,831**	146,845

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**30.6.2026** **HK$'000** **(unaudited)**	31.12.2025 HK$'000 (audited)
NON-CURRENT LIABILITIES			
Lease liabilities	16	**3,761**	4,934
Deferred income		**–**	17
		3,761	4,951
NET ASSETS		**136,070**	141,894
CAPITAL AND RESERVES			
Share capital	17	**7,055**	7,055
Reserves		**129,015**	134,839
TOTAL EQUITY		**136,070**	141,894

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Share capital *HK$'000*	Share premium *HK$'000*	Other reserve *HK$'000*	Capital reserve *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve *HK$'000*	Accumulated losses *HK$'000*	Total equity *HK$'000*
At 1 January 2025 (audited)	7,055	120,955	100,000	1	(29,593)	19,224	(45,103)	172,539
Loss for the period	–	–	–	–	–	–	(30,461)	(30,461)
Exchange differences arising on translation from functional currency to presentation currency	–	–	–	–	8,166	–	–	8,166
Exchange differences arising on translation of foreign operations	–	–	–	–	(2,636)	–	–	(2,636)
Total comprehensive income/(expense) for the period	–	–	–	–	5,530	–	(30,461)	(24,931)
At 30 June 2025 (unaudited)	7,055	120,955	100,000	1	(24,063)	19,224	(75,564)	147,608
At 1 January 2026 (audited)	**7,055**	**120,955**	**100,000**	**1**	**(21,393)**	**19,240**	**(83,964)**	**141,894**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(11,243)**	**(11,243)**
Exchange differences arising on translation from functional currency to presentation currency	**–**	**–**	**–**	**–**	**8,456**	**–**	**–**	**8,456**
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**(3,037)**	**–**	**–**	**(3,037)**
Total comprehensive income/(expense) for the period	**–**	**–**	**–**	**–**	**5,419**	**–**	**(11,243)**	**(5,824)**
At 30 June 2026 (unaudited)	**7,055**	**120,955**	**100,000**	**1**	**(15,974)**	**19,240**	**(95,207)**	**136,070**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**12,593**	11,595
NET CASH USED IN INVESTING ACTIVITIES	**(3,454)**	(12,196)
NET CASH USED IN FINANCING ACTIVITIES	**(8,909)**	(30,514)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**230**	(31,115)
Effect of foreign exchange rate changes	**331**	1,402
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**(11,138)**	19,689
CASH AND CASH EQUIVALENTS AT 30 JUNE	**(10,577)**	(10,024)
Represented by:		
Bank balances and cash	**7,311**	7,894
Bank overdraft	**(17,888)**	(17,918)
	(10,577)	(10,024)

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 21 February 2017 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares (the "**Shares**") of the Company have been listed on GEM since 30 May 2018.

The Company is an investment holding company. The Group is principally engaged in the development, manufacture and sales of semiconductor packaging materials.

The functional currency of the Company is Renminbi ("**RMB**"). The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**") as the Group's management believes HK$ is the appropriate presentation currency for the users of the condensed consolidated financial statements.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Accounting Standards ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by Chapter 18 of the GEM Listing Rules.

3. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of new and amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2025.

The HKICPA has issued certain new and revised HKFRSs. For those which are effective for accounting periods beginning on 1 January 2026, the adoption has no material impact on how the results and financial positions of the Group for the current and prior periods have been prepared and presented. For those which are not yet effective and have not been early adopted in prior accounting periods, the Group is in the process of assessing their impact on the Group's results and financial positions.

4. REVENUE AND SEGMENT INFORMATION

An analysis of revenue by major products is as follows:

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Bonding wire	**36,316**	48,551
Encapsulant	**24,937**	24,870
Others	**3,290**	3,425
	64,543	76,846

The Group's operating segment is determined based on information reported to the chief operating decision maker (the "**CODM**"), being the executive directors of the Company, for the purpose of resource allocation and performance assessment. For management purpose, the Group operates in one business unit based on its products and its sole operating segment is the development, manufacture and sales of semiconductor packaging materials. The CODM monitors the revenue, results, assets and liabilities of its business unit as a whole and regularly reviews financial information prepared in accordance with the accounting policies that are in accordance with HKFRSs, and without further discrete information. Accordingly, no analysis of segment information other than entity-wide information is presented.

Geographical information

The Group's revenue is mainly derived from customers located in the People's Republic of China (the "**PRC**"), Hong Kong and overseas. Information about the Group's revenue by the geographical location in which the customers operate is detailed below:

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
PRC excluding Hong Kong	**63,644**	76,145
Hong Kong	**580**	174
Overseas	**319**	527
	64,543	76,846

5. OTHER INCOME, OTHER GAINS AND LOSSES

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Bank interest income	**4**	5
Government subsidy income	**1,053**	650
Net foreign exchange losses	**(749)**	(897)
Others	**(34)**	26
	274	(216)

6. IMPAIRMENT LOSS ON INTANGIBLE ASSETS

The Group performed impairment test by determining the recoverable amount of its intangible assets in relation to patent and trademark, technology know-how and development costs arising from the Group based on the value in use (the "**VIU**") of the cash-generating units (the "**CGUs**"). The project continues to progress in a satisfactory manner, and customer reaction has reconfirmed the Group's estimates of anticipated revenues from the project. However, increased competitor activities have caused the Group to reconsider its assumptions regarding future market share and anticipated margins on these products.

After conducting impairment tests, no impairment loss was recognised by the Group during the six months ended 30 June 2026 (the "**Period**") (six months ended 30 June 2025: HK$18,816,000) which was recorded in the consolidated statement of profit or loss and other comprehensive income, based on the following recoverable amounts of three CGUs of the Group, being the LED encapsulant CGU (the "**LED Encapsulant CGU**"), the aluminum-based bonding wire CGU (the "**Aluminum-Based Bonding Wire CGU**") and copper-based bonding wire CGU (the "**Copper-Based Bonding Wire CGU**"):

- the recoverable amount of the LED Encapsulant CGU was determined based on a VIU calculation. According to the assessment results of the Group, the intangible assets of LED Encapsulant CGU were determined to have a recoverable amount of approximately HK$45,591,000, compared to a carrying amount of approximately HK$45,591,000. Consequently, no impairment loss was recognised for the net carrying amount of the LED Encapsulant CGU during the Period (six months ended 30 June 2025: HK$10,658,000);

- the recoverable amount of the Aluminum-Based Bonding Wire CGU was determined based on a VIU calculation. According to the assessment results of the Group, the intangible assets of Aluminum-Based Bonding Wire CGU were determined to have a recoverable amount of approximately HK$817,000, compared to a carrying amount of approximately HK$817,000. Consequently, no impairment loss was recognised for the net carrying amount of the Aluminum-Based Bonding Wire CGU during the Period (six months ended 30 June 2025: HK$2,111,000);

- the recoverable amount of the Copper-Based Bonding Wire CGU was determined based on a VIU calculation. According to the assessment results of the Group, the intangible assets of Copper-Based Bonding Wire CGU were determined to have a recoverable amount of approximately HK$303,000, compared to a carrying amount of approximately HK$303,000. Consequently, no impairment loss was recognised for the net carrying amount of the Copper-Based Bonding Wire CGU during the Period (six months ended 30 June 2025: HK$6,047,000).

The VIU calculation used cash flow forecasts based on financial budgets approved by the board of directors of the Company covering the remaining expected useful life of these CGUs as estimated by the management of the Company. Such income approach is an appropriate valuation method that can reflect the value of cash flow generated by continuous operation of the assets, which is consistent with the requirements under HKAS 36 in determining the VIU of CGUs. The pre-tax discount rates were ranging from 13.03% to 16.28% and the cash flow beyond the five-year period is extrapolated using a steady growth rate ranging from 5% to 10% per annum. The pre-tax discount rate reflects the specific risks related to the business and industry in which these CGUs operate.

Another key assumption used in the VIU calculation of these CGUs was the budgeted gross margin ranging from 15.6% to 30.0%, which is based on the past performance of these CGUs and the management's expectations of the market development of these CGUs. The directors of the Company are not currently aware of any other probable changes that would necessitate adjustments to its key estimates.

7. FINANCE COSTS

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Bank charges	**–**	34
Interests on bank borrowings	**1,445**	1,384
Interests on bank overdraft	**504**	494
Interests on discounted bills with recourse	**158**	362
Interests on lease liabilities	**228**	351
Interests on trust receipt loans	**–**	506
	2,335	3,131
Less: amounts capitalised in the cost of qualifying assets *(note)*	**–**	(176)
	2,335	2,955

Note: For the six months ended 30 June 2025, borrowing cost arising from the funds borrowed specifically for the purpose of obtaining qualifying assets was capitalised.

8. INCOME TAX EXPENSE

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The income tax expense comprises:		
PRC Enterprise Income Tax ("**EIT**")		
– Charge for the period	**773**	445
– Withholding tax	**287**	239
– Underprovision in prior years	**–**	200
	1,060	884

Under the Law of the PRC on EIT ("**EIT Law**") and Implementation Regulation of the EIT Law, the standard tax rate of PRC entities is 25% for both periods. Pursuant to the relevant laws and regulations in the PRC, 汕頭市駿碼凱撒有限公司 is granted tax incentives as a High and New Technology Enterprise and is entitled to a concessionary tax rate of 15% for the six months ended 30 June 2026 and 2025.

Under the EIT Law, withholding tax of 5%-10% is imposed on dividends declared in respect of profit earned by subsidiaries in PRC from 1 January 2008 onwards.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No provision for Hong Kong Profits Tax is made since the relevant group entities had no assessable profits for both periods.

Pursuant to the rules and regulations of the BVI and Cayman Islands, the relevant group entities are not subject to any income tax in these jurisdictions.

9. LOSS FOR THE PERIOD

	Six months ended	
	30.6.2026	30.6.2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Directors' remuneration:		
Fees	**348**	360
Other emoluments, salaries and other benefits	**3,150**	3,067
Retirement benefit scheme contributions	**31**	30
	3,529	3,457
Other staff costs:		
Staff salaries and allowances	**11,433**	12,871
Retirement benefit scheme contributions	**1,634**	1,668
	13,067	14,539
Total staff costs	**16,596**	17,996
Capitalised in intangible assets	**(1,989)**	(2,116)
Capitalised in inventories	**(4,544)**	(4,418)
	10,063	11,462

	Six months ended 30.6.2026 HK$'000 (unaudited)	Six months ended 30.6.2025 HK$'000 (unaudited)
Depreciation of plant and equipment (including amounts capitalised in inventories and intangible assets)	**2,378**	2,932
Amortisation of intangible assets (including amounts capitalised in inventories)	**8,252**	7,358
Depreciation of right-of-use assets (including amounts capitalised in inventories and intangible assets)	**1,600**	2,097
Auditors' remuneration	**495**	495
Cost of inventories recognised as cost of sales	**55,540**	66,291
Research and development costs (excluding depreciation and staff costs) recognised as expenses (included in administrative expenses)	**–**	311
Expenses relating to short term leases	**54**	56

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the year ending 31 December 2026 (six months ended 30 June 2025: nil).

11. LOSS PER SHARE

	Six months ended	
	30.6.2026	30.6.2025
	(unaudited)	(unaudited)
Loss:		
Loss for the purpose of basic loss per share:		
Loss for the period attributable to owners of the Company *(HK$'000)*	**(11,243)**	(30,461)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	**705,500,000**	705,500,000

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

12. MOVEMENTS IN PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the current interim period, the Group acquired plant and equipment and intangible assets of approximately HK$74,000 and HK$nil respectively (six months ended 30 June 2025: approximately HK$178,000 and approximately HK$11,625,000 respectively).

There was no disposal of plant and equipment during the current interim period (six months ended 30 June 2025: nil).

13. TRADE AND BILLS RECEIVABLES AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

(a) Trade and bills receivables

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**40,651**	44,363
Less: Allowance for credit losses	**(1,835)**	(2,068)
	38,816	42,295
Bills receivables	**36,898**	39,164
	75,714	81,459

The Group's trading terms with its customers are mainly on credit, except for certain customers where payment in advance is required. The credit period is generally 30 to 120 days. Each customer is granted with a credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk.

The following is an aged analysis of trade receivables, net of allowance for credit losses, based on the invoice date at the end of the reporting periods:

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
1 – 30 days	**10,181**	12,078
31 – 60 days	**9,335**	11,454
61 – 90 days	**9,910**	8,188
Over 90 days	**9,460**	10,575
	38,816	42,295

The maturity period of bills receivables as at 30 June 2026 and 31 December 2025 were within 365 days.

(b) Other receivables, prepayments and deposits

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Prepayments	**29,212**	29,702
Deposits	**640**	232
Other receivables	**610**	584
Deposits paid for acquisition of plant and equipment	**–**	406
Other tax recoverable	**98**	–
	30,560	30,924

14. TRADE AND OTHER PAYABLES

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables	**6,588**	9,267
Other payables	**3,560**	3,958
Other tax payables	**879**	–
Accrued expenses	**6,729**	6,690
	17,756	19,915

The trade suppliers either require cash on delivery from the Group or allow credit period ranging from 7 days to 90 days to the Group. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting periods:

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
1 – 30 days	**3,556**	4,641
31 – 60 days	**1,458**	2,311
61 – 90 days	**1,203**	1,310
Over 90 days	**371**	1,005
	6,588	9,267

15. BANK BORROWINGS/BANK OVERDRAFT

(a) Bank borrowings

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Carrying amounts of bank borrowings based on scheduled repayment dates set out in the loan agreements:		
Within one year	**25,051**	32,192
Carrying amount of borrowings that are repayable on demand due to not fully complying with the terms of the banking facilities (shown under current liabilities)	**12,486**	14,799
Carrying amount of borrowings that are repayable on demand due to default in payment (shown under current liabilities)	**30,240**	30,240
	67,777	77,231
Less: Amounts due within one year shown under current liabilities	**(67,777)**	(77,231)
Amounts shown under non-current liabilities	**–**	–
Secured	**67,777**	77,231
Unsecured	**–**	–
	67,777	77,231

The Group's variable-rate bank borrowings carried interests from (i) Loan Prime Rate issued by the People's Bank of China less 0.25% to (ii) 3.5% over Hong Kong Interbank Offered Rate ("**HIBOR**") per annum (31 December 2025: from 3.05% to 3.5% over HIBOR per annum) quoted by certain banks in Hong Kong and were repayable on demand.

The Group's fixed-rate bank borrowings as at 30 June 2026 carried interests at effective rates ranging from 5.46% to 7.1% per annum (31 December 2025: from 5.79% to 7.96% per annum).

(b) Bank overdraft

As at 30 June 2026, the bank overdraft amounted to approximately HK$17,888,000 (31 December 2025: HK$17,888,000), carrying interest rates of 3% over HIBOR per annum and was payable on demand. The amount was guaranteed by the Company, some Directors and the HKMC Insurance Limited under the SME Financing Guarantee Scheme.

16. LEASE LIABILITIES

	30.6.2026	31.12.2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Current	**3,443**	3,832
Non-current	**3,761**	5,062
	7,204	8,894

17. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 30 June 2026 (unaudited) and 31 December 2025 (audited)	**2,000,000,000**	**20,000**
Issued and fully paid:		
At 30 June 2026 (unaudited) and 31 December 2025 (audited)	**705,500,000**	**7,055**

18. CAPITAL COMMITMENTS

	30.6.2026 HK$'000 (unaudited)	31.12.2025 HK$'000 (audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of plant and equipment	**218**	224
	218	224

BUSINESS REVIEW

Headquartered in Hong Kong with a research and development (R&D) center and production facilities in Shantou, the PRC, the Group is a renowned semiconductor packaging materials manufacturer specializing in the development, manufacturing, and sale of bonding wires and encapsulants. The Group continues to directly sell its products to over 600 customers, who are primarily leading manufacturers of LEDs, camera modules, power devices, integrated circuits (IC) packaging, toys, and electronic products in the PRC.

In the first half of 2026, the global semiconductor industry sustained strong growth. The demand for AI computing power drove the volume growth of logic chips and advanced memory, with the Chinese market showing particularly outstanding performance. However, domestic consumption remained weak, and the growth rate of total retail sales of consumer goods slowed down. This trend of consumption downgrading placed pressure on consumer electronics and related applications. Meanwhile, the China-US tech rivalry persisted, and US export controls tightened. Coupled with Japanese suppliers raising the prices of packaging materials, this further accelerated the domestic substitution process for packaging materials in the PRC.

Bonding Wire Products

For the six months ended 30 June 2026, the shipment volume of the Group's bonding wire products was approximately 186,467 kilometers, and the sales revenue was approximately HK$36.3 million, representing a decrease of 47.7% and 25.2% respectively compared to the six months ended 30 June 2025 ("**1H2025**"). The gross profit margin declined from 14.11% to 11.26%. This was mainly because the high-interest-rate environment directly pushed up corporate borrowing costs, and bank credit tightened simultaneously. Against this backdrop, the Group prudently adjusted its operating strategy, proactively giving up certain wire businesses that tied up massive capital, carried long payment periods, and yielded low gross profit margins. Instead, the Group focused its limited resources on products and customers with greater cost advantages and growth potential. At the same time, although precious metal prices retraced slightly, they remained at historically high levels, and intense industry competition put pressure on average selling prices.

Encapsulant Products

For the six months ended 30 June 2026 (the "**Period**"), the shipment volume of encapsulant products was approximately 181 tonnes, representing a decrease of 9.5% compared to 1H2025. Sales revenue was approximately HK$24.9 million, remaining flat compared to the same period last year. The gross profit margin significantly improved from 12.2% to 16.9%, benefiting from product mix optimization and effective cost control, as well as an increased share of high-margin Glob-top epoxy resin products. In the LED industry, emerging applications such as Micro/Mini LED and automotive lighting continued to grow, driving a 5% to 10% price hike in the packaging segment since the beginning of the year. The industry's competitive landscape is heading toward a structural recovery.

Looking ahead, the Group will continue to focus on the R&D and innovation of advanced packaging materials, optimize its product structure, and increase the proportion of high-value-added products. The Group will also actively seize the opportunities brought by the accelerated domestic substitution process and the explosive growth in AI computing power demand. By deepening cooperation with leading domestic customers, the Group aims to consolidate its competitive edge amidst market transformations.

Consequently, the Group's revenue for the Period decreased by 16.0% to approximately HK$64.5 million (1H2025: approximately HK$76.8 million), while the Group's gross profit margin remained stable at 13.9% (1H2025: 13.7%).

FINANCIAL OVERVIEW

Revenue

The Group's revenue principally represents income derived from its main products, namely bonding wire and encapsulant. During the Period, the Group recorded a revenue of approximately HK$64.5 million (1H2025: approximately HK$76.8 million). The revenue of bonding wire products recorded a decrease of 25.2% to approximately HK$36.3 million (1H2025: approximately HK$48.6 million) while the revenue of encapsulant products maintained at a similar level of approximately HK$24.9 million (1H2025: approximately HK$24.9 million). The overall decrease in the revenue was mainly due to intense competition.

Cost of sales and gross profit

The Group's cost of sales mainly comprised direct material costs, direct labor costs, and manufacturing overhead. During the Period, the Group's cost of sales decreased by 16.2% to approximately HK$55.5 million (1H2025: approximately HK$66.3 million), mainly due to the decrease in revenue. The gross profit of the Group decreased by 14.7% to approximately HK$9.0 million for the Period (1H2025: approximately HK$10.6 million). The gross profit margin remained stable at approximately 13.9% for the Period (1H2025: 13.7%).

Other income, other gains and losses

The Group recognized a net gain of approximately HK$0.3 million for other income, other gains, and losses during the Period (1H2025: loss of approximately HK$0.2 million). The Group recorded a net exchange loss of approximately HK$0.7 million while a net exchange loss of approximately HK$0.9 million was recorded in 1H2025. The Group also received subsidies of approximately HK$1.1 million from local governments during the Period (1H2025: approximately HK$0.7 million).

Impairment loss on intangible assets

In accordance with the Accounting Standards and the accounting policies of the Company, adhering to the principle of prudence, the Company conducted impairment tests on relevant assets of the Group in the Period, and did not identify any indicator of impairment. No provision was made for impairment of various intangible assets (1H2025: HK$18.8 million).

Expenses

Selling and distribution expenses amounted to approximately HK$4.2 million for the Period (1H2025: approximately HK$4.2 million). Administrative expenses for the Period were approximately HK$13.3 million (1H2025: approximately HK$14.3 million). The decrease in administrative expenses was mainly due to the implementation of cost saving measures during the Period. Finance costs stayed at approximately HK$2.3 million (1H2025: approximately HK$3.0 million) during the Period.

Loss and other comprehensive loss for the Period

As a result of the combined effects of the foregoing, loss attributable to owners of the Company for the Period was approximately HK$11.2 million (1H2025: loss of approximately HK$30.5 million). Earnings before interest, taxes, depreciation of plant and equipment and amortization of intangible assets ("**EBITDA**") for the Period was approximately HK$2.8 million (1H2025: approximately HK$2.5 million).

FUTURE STRATEGY AND PROSPECTS

In the first half of 2026, the global semiconductor industry sustained its strong growth momentum. SEMI projects that global semiconductor manufacturing equipment sales will hit a record high of USD165.9 billion in 2026, representing a year-on-year increase of 23.2%, with this growth momentum expected to continue through 2028. The demand for AI computing power has continuously driven the volume growth of logic chips and advanced memory. The industry is currently in a super-upcycle propelled by the triple resonance of cyclical recovery, new AI growth, and domestic substitution.

However, the macroeconomic and financial environment poses significant challenges to corporate operations. The Federal Reserve's policy signals have shifted from "further rate cuts are possible" to "further rate hikes remain possible." Gold prices continue to run high, accelerating the material substitution trend within the industry. Due to its exceptional cost-performance ratio, copper-based wire has largely replaced gold wire and become the absolute mainstream in the market. Silver alloy wire, as another low-cost alternative, offers electrical and thermal conductivity comparable to gold wire and is widely applied in optoelectronic semiconductor devices such as LEDs. The Group's bonding wire products have achieved comprehensive coverage across various materials, including copper alloy wires, silver alloy wires, and gold alloy wires, enabling the provision of differentiated solutions based on customer needs. In an environment where precious metal costs remain persistently high, the substitution process of products like copper alloy wires and silver alloy wires in cost-sensitive applications continues to accelerate, bringing structural growth opportunities to the Group.

Driven by both policy and market forces, Mainland China's semiconductor materials market has firmly secured the top position globally. This is supported by multiple policy advantages, including full-chain technical breakthroughs under the "15th Five-Year Plan," Big Fund Phase III allocating 70% of its capital toward the localization of equipment and materials, and various tax incentives. In April 2026, the State Council promulgated the Regulations on Security of Industrial and Supply Chains, further accelerating the localization process of semiconductor materials from a policy perspective. Local governments have simultaneously introduced support policies for the semiconductor and integrated circuit industries, providing assistance across the entire industry chain, including materials, equipment, chip design, and packaging and testing. The industry generally believes that, under geopolitical and supply chain security considerations, the domestic chip manufacturing industry chain in China has an unprecedentedly strong willingness to verify and demand for domestic materials.

Regarding power semiconductors, the IGBT market is projected to grow from USD10.37 billion in 2025 to USD11.69 billion in 2026, according to the *Research and Markets IGBT Global Market Report 2026*[1]. The power device industry is recovering at an accelerated pace, with delivery lead times continuously lengthening and prices remaining on an upward trend in the second quarter of 2026. Mainland China's IGBT module production capacity already accounts for approximately 35% of the global total, and the demand for automotive-grade packaging materials continues to heat up. The Group's copper bonding wires have been certified by leading industry players, and the penetration rate of thick copper bonding wires in IGBT modules continues to rise.

In the LED industry, TrendForce[2] estimates that the global LED market output value is expected to reach USD12.176 billion in 2026, with emerging applications such as Micro/Mini LED, automotive lighting, and displays continuing to contribute growth momentum. The midstream packaging segment has seen price increases ranging from 5% to 25% since the beginning of the year. The industry's competitive landscape is shifting from long-term, irrational low-price competition toward a structural recovery. The Group has completed its development and deployment of advanced encapsulants for outdoor LEDs, digital/addressable LEDs, and Mini/Micro LEDs.

The AI chip market is expanding rapidly. For humanoid robots, TrendForce[2] forecasts that global shipments in 2026 are expected to increase more than sevenfold year-on-year, exceeding 50,000 units. AI servers and edge computing devices demand higher thermal conductivity and reliability from packaging materials. The Group is actively developing high-thermal-conductivity epoxy encapsulants and sintering-type bonding technologies that match the packaging requirements of AI chips.

1 https://www.globenewswire.com/de/news-release/2026/01/27/3226342/28124/en/Insulated-Gate-Bipolar-Transistor-IGBT-Market-Trends-and-Investment-Opportunities-2026-2030-Revenues-to-Grow-by-7-1-Billion.html?print=1

2 https://www.ledinside.com.tw/research/20260319-40493.html

Core Strategies

The Group will firmly execute the following strategies: continuously increase R&D investment, focusing on developing low-cost, high-performance alternative wire materials and import-substitution products such as high-thermal-conductivity encapsulants; deepen technical cooperation with leading domestic IC manufacturers, LED packaging enterprises, and power module makers to accelerate new product verification and introduction; optimize product structure by proactively reducing the proportion of precious-metal-sensitive businesses and focusing resources on high-value-added and fast-growing market segments; and closely monitor changes in macroeconomic interest rates and the credit environment to flexibly adjust market strategies and financial arrangements.

Outlook

The Board of Directors maintains a prudently optimistic view on the long-term prospects of the industry. Although the high-interest-rate environment and credit tightening pose operational pressures on enterprises in the short term, the localization process of semiconductor packaging materials is unstoppable. Driven by the explosive demand for AI computing power, advanced packaging technology upgrades, and domestic substitution, the industry is experiencing a window of structural growth opportunities. Relying on flexible strategic adjustments, technical R&D advantages, and an accurate grasp of market trends, the Group is confident in its ability to drive continuous revenue growth amidst industry transformations and create long-term, stable returns for shareholders.

HUMAN RESOURCES MANAGEMENT

As at 30 June 2026, the Group employed 168 full-time employees (as at 31 December 2025: 185). The remuneration of employees is disclosed in note 9 to the unaudited condensed consolidated financial statements. The Group's remuneration policy is determined with reference to the experience and qualifications of the individual's performance. The Group would ensure that all employees are provided with adequate training and continuous professional development opportunities according to their needs. The Group has adopted a share option scheme to reward individual staff for their contribution to the Group.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

The Group finances its operations primarily through cash generated from operating activities and interest-bearing bank borrowings. The Group recorded net current assets of approximately HK$25.2 million as at 30 June 2026 (31 December 2025: approximately HK$25.4 million). As at 30 June 2026, the Group's current ratio was approximately 1.2 (31 December 2025: approximately 1.2) and the Group's gearing ratio (the total borrowings divided by the total equity of the Group at the end of the Period) was approximately 63.0% (31 December 2025: approximately 54.4%). The Group's variable-rate bank borrowings carried interest which ranged from Loan Prime Rate issued by the People's Bank of China ("**LPR**") less 0.25% to 3.50% over Hong Kong Interbank Offered Rate ("**HIBOR**") per annum (31 December 2025: LPR less 0.25% to 3.50% over HIBOR per annum). The Group's fixed-rate borrowings carried interests at effective rates (which were also the contracted rates) from 5.46% to 7.10% per annum as at 30 June 2026 (31 December 2025: from 5.79% to 7.96% per annum). As at 30 June 2026, the Group's bank borrowings and bank overdraft amounted to approximately HK$85.7 million (31 December 2025: approximately HK$95.1 million). As at 30 June 2026, the bank borrowings amounted to approximately HK$42.7 million (31 December 2025: approximately HK$45.0 million) were secured by unlimited corporate guarantee provided by the Company, certain corporate guarantee amounts provided by Niche-Tech Kaiser (Shantou) Limited ("**Niche-Tech Shantou**") and certain personal guarantee amounts provided by the director of the Company respectively. As at 30 June 2026, the Group had total bank facilities of approximately HK$95.3 million (31 December 2025: approximately HK$106.0 million). As at 30 June 2026, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK$136.1 million (31 December 2025: approximately HK$141.9 million).

TREASURY POLICY

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have other plans for material investments and capital assets during the Period.

SIGNIFICANT INVESTMENTS HELD

During the Period, the Group did not hold any significant investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that all the major risk factors relevant to the Group have already been disclosed in the section headed "Risk factors" of the Company's prospectus dated 17 May 2018 (the "**Prospectus**") in respect of the listing (the "**Listing**") of the Shares on GEM. Please refer thereto for more information.

EXPOSURE TO FOREIGN EXCHANGE RISK

The Group's income, cost of sales, administrative expenses, investment and borrowings are mainly denominated in United States Dollar, HK$ and RMB. Fluctuations of the exchange rates of RMB could affect the operating costs of the Group. Currencies other than RMB were relatively stable during the Period. The Group currently does not have a foreign currency hedging policy. However, the management will continue to monitor foreign exchange exposure and will take prudent measure to minimise the currency translation risk. The Group will consider hedging significant foreign currencies should the need arise.

CHARGES ON ASSETS

There was no significant pledge on the Group's assets as at 30 June 2026 (as at 31 December 2025: nil).

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Period (1H2025: nil).

CONTINGENT LIABILITIES

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

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed on note 4 to the unaudited condensed consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

There is no significant event after the reporting period for the Group up to the date of this report.

DISCLOSURES REQUIREMENTS UNDER THE LISTING RULES 17.21 AND 17.23 OF CHAPTER 17 OF THE GEM LISTING RULES

Reference is made to the annual report of the Company for the year ended 31 December 2025 as disclosed under "Management Discussion and Analysis – Other Information" whereby the Group has failed to repay and breached of financial covenants for certain bank borrowings amounted to approximately HK$45.0 million according to their scheduled repayment date, which remained outstanding as at 31 December 2025. As at 30 June 2026, these defaulted and outstanding bank borrowings amounted to approximately HK$42.7 million in total. These debts, together with the outstanding default interests accrued thereon of approximately HK$2.5 million, totalling approximately HK$45.2 million have become immediately repayable and are classified under current liabilities at 30 June 2026.

Such default in repayment amounted to bank borrowings of approximately HK$42.7 million as at 30 June 2026 became immediately repayable if requested by the banks and the relevant banks have the right to cancel or suspend the facilities. Based on the discussions with the respective banks, they have expressed their intention to discuss the restructuring plans with the Group.

In addition, the Group has taken the actions below during the Period in relation to the defaulted borrowings:

(i) the Group has appointed an independent debt financial advisor pursuant to the request of one of the lenders to assist with bank loan restructuring and their work remains in progress up to the date of this report;

(ii) other than the demand letters received, the Group noted that none of the banks has taken any legal proceedings against any member of the Group up to the date of this report for the defaulted borrowings.

For additional details of the updates, please refer to the section "UPDATE OF THE GROUP TO ADDRESS THE DISCLAIMER OF OPINION".

According to Rule 17.21 of the GEM Listing Rules, the Group has breached the terms of its loan agreement with the relevant banks while the Group has not yet obtained waivers from these lenders in respect of the defaulted borrowings. The Company will inform and update its shareholders and other investors of any material development in relation to the above by way of announcement as and when appropriate.

UPDATE OF THE GROUP TO ADDRESS THE DISCLAIMER OF OPINION

Reference is made to the section headed "ACTION PLAN OF THE GROUP TO ADDRESS THE AUDIT MODIFICATIONS AND REMOVAL OF AUDIT MODIFICATIONS "set out in the Corporate Governance Report included in the Annual Report 2025 of the Company and the announcement of the Company dated 30 June 2026, the management of the Company would like to provide the following updates with regard to the audit modifications expressed by the Company's auditors for the Group's financial statements for the year ended 31 December 2025.

As at the date of this report, the following are the updates relating to the Group's implementation of the plans and measures to improve the Group's liquidity and financial position:

1. The Group has appointed an independent debt financial advisor pursuant to the request of one of the lenders to assist with bank loan restructuring and their work remains in progress up to the date of this report;

2. None of the lenders has taken any legal proceedings against any member of the Group up to the date of this report for the defaulted borrowings;

3. The Group is actively seeking refinancing channels and in discussion with a number of independent financial institutions (including asset management companies and banks) and potential business partners. The discussions are ongoing and the Group has not formally entered into any agreements with any parties up to the date of this report;

4. As part of the plan of the Company to broaden its revenue stream, the Company has obtained the "Type A – Dealers in Precious Metals and Stones" license from the Hong Kong Customs and Excise Department on 20 April 2026. Subject to the availability of working capital, the Group is considering to commence a new precious metals trading business. As at the date of this report, the Group has commenced preparatory work in this regard but yet to commence this new precious metal trading business;

5. For the period from 1 January to 31 July 2026, the Directors and/or controlling shareholders of the Company have advanced a total of approximately HK$3,100,000 as additional working capital for the Company; and

6. The Group has been implementing cost-cutting plan, including salary and headcount reduction since December 2025, to reduce the cashflow requirements.

The Company will publish announcement(s) for the updates regarding the disclaimer of opinion solely on going concern issue as and when appropriate in accordance with the GEM Listing Rules and/or as required by the Stock Exchange.

DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations

As at 30 June 2026, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "**SFO**")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name of Directors	Nature of interest/ holding capacity	Number of ordinary Shares held	Percentage of issued share capital of the Company *(Note 1)*
Dr. Chow Bok Hin Felix ("**Dr. Chow**") *(Note 2)*	Interest in a controlled corporation	357,000,000	50.60%
Professor Chow Chun Kay Stephen ("**Professor Chow**") *(Note 2)*	Interest in a controlled corporation	357,000,000	50.60%
	Beneficial owner	510,000	0.07%
Mrs. Rita Chow Fung Wai Lan Rita ("**Mrs. Rita Chow**") *(Note 3)*	Interest of spouse	357,510,000	50.67%

Notes:

(1) As at 30 June 2026, the Company's issued share capital was HK$7,055,000 divided into 705,500,000 Shares of HK$0.01 each.

(2) Niche-Tech Investment Holdings Limited ("**BVI Holdings**") is indirectly owned as to 40% by Dr. Chow and 60% by Professor Chow. By virtue of the SFO, Dr. Chow and Professor Chow are deemed to be interested in the Shares held by BVI Holdings.

(3) Mrs. Rita Chow is the spouse of Professor Chow. Mrs. Chow is deemed to be interested in all the Shares in which Professor Chow is interested in for the purpose of the SFO.

Interests in shares of the associated corporations of the Company

Name	Name of associated corporation	Nature of interest/ holding capacity	Number of shares held/ interested in the associated corporations	Percentage of shareholding
Professor Chow *(Notes 1 and 2)*	Chows Investment Group Limited ("**BVI Chows**")	Beneficial owner	6	60.00%
Dr. Chow *(Notes 1 and 2)*	BVI Chows	Beneficial owner	4	40.00%
Professor Chow *(Notes 1 and 2)*	BVI Holdings	Interest in a controlled corporation	10,000,000	100.00%
Dr. Chow *(Notes 1 and 2)*	BVI Holdings	Interest in a controlled corporation	10,000,000	100.00%
Mrs. Rita Chow *(Note 3)*	BVI Chows	Interest of Spouse	6	60.00%
	BVI Holdings	Interest of Spouse	10,000,000	100.00%

Notes:

(1) BVI Chows holds 100% interest in BVI Holdings. BVI Holdings in turn holds 50.60% interest in the Company. Therefore, BVI Chows and BVI Holdings are the associated corporations of the Company for the purpose of the SFO.

(2) Dr. Chow and Professor Chow are interested in as to 40% and 60% of the issued share capital of BVI Chows respectively. BVI Chows holds 100% interest in BVI Holdings. Dr. Chow and Professor Chow are therefore deemed to be interested in 100% of BVI Holdings for the purpose of the SFO.

(3) Mrs. Rita Chow is the spouse of Professor Chow. Mrs. Chow is deemed to be interested in all the shares of the associated corporations of the Company in which Professor Chow is interested in for the purpose of SFO.

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executives of the Company had or was deemed to have any other interests and short positions in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders and other persons' interests and short positions in the Shares or underlying Shares of the Company

So far as is known to the Directors, as at 30 June 2026, the persons (other than Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying shares of the Company that would fall 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 which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of Shareholder	**Nature of interest/ holding capacity**	**Number of Shares**	**Percentage of issued share capital of the Company** *(Note 1)*
BVI Holdings	Beneficial owner	357,000,000	50.60%
BVI Chows *(Note 2)*	Interest of controlled corporation	357,000,000	50.60%
Mrs. Chow Kuo Li Jen *(Note 3)*	Interest of spouse	357,000,000	50.60%
Mr. Ma Ah Muk ("**Mr. Ma**")	Beneficial owner	152,490,000	21.61%
Ms. Cheng Pak Ching *(Note 4)*	Interest of spouse	152,490,000	21.61%

Notes:

(1) As at 30 June 2026, the Company's issued share capital was HK$7,055,000 divided into 705,500,000 Shares of HK$0.01 each.

(2) BVI Chows holds 100% interest in BVI Holdings and is therefore deemed to be interested in the 357,000,000 Shares held by BVI Holdings for the purpose of the SFO.

(3) Mrs. Chow Kuo Li Jen is the spouse of Dr. Chow. Mrs. Chow Kuo Li Jen is deemed to be interested in all the Shares in which Dr. Chow is interested for the purpose of the SFO.

(4) Ms. Cheng Pak Ching is the spouse of Mr. Ma. Ms. Cheng Pak Ching is deemed to be interested in all the Shares in which Mr. Ma is interested for the purpose of the SFO.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any other persons (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying shares of the Company would fall to be 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 which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

Pursuant to the Company's share option scheme (the "**Scheme**") adopted on 8 May 2018 for the primary purpose of providing incentives to directors, eligible employees, consultant or adviser of the Group, the directors, employees, consultant or adviser of the Group may, at the discretion of the directors, be granted options (the "**Options**") to subscribe for shares ("**Shares**") in the Company at a price determined by its directors, but shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares on the date of grant of the option.

As the Company has not refreshed the scheme mandate limit since the adoption of the Scheme, based on 680,000,000 Shares in issue at the time dealings in the Shares first commenced on the Stock Exchange, the total number of Shares which the Company was authorised to issue assuming the full exercise of all options to be granted was 68,000,000 Shares, representing 10% of the total number of Shares then in issue. Pursuant to Rule 23.03D(1) of the GEM Listing Rules, the total number of Shares issued and to be issued in respect of all options granted to a Scheme participant in any 12-month period up to the date of grant must not exceed 1% of the Shares in issue, unless approved by the shareholders of the Company.

Subject to the requirements under the GEM Listing Rules and the terms and conditions of the Scheme, there is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before it can be exercised upon its grant.

Unless terminated by resolution in general meeting, the Scheme will remain in force for a period of ten years from the date of the listing of the Shares on the Stock Exchange. Options granted must be taken up not later than 30 days after the date of grant. A consideration of HK$1 is payable on acceptance of the offer of grant of an option.

The exercisable period of an option, which shall not exceed 10 years from the date of grant, is determined by the Board of Directors of the Company at their discretion.

Since the date of adoption of the Scheme, as at the beginning and end of the Period and up to the date of this report, no option has been granted, exercised, cancelled or lapsed, and none has been outstanding under the Scheme.

No options have been granted by the Company since its adoption date. Therefore, the number of Shares which may be issued in respect of options and awards granted under all schemes of the Company during the Period divided by the weighted average number of shares of the relevant class in issue for the Period was nil.

COMPETING INTERESTS

None of the Directors nor the controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had any business or interest in a business that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the Period.

CORPORATE GOVERNANCE PRACTICES

The Company complied with Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the GEM Listing Rules for the Period save as disclosed below.

Principle C.2 and code provision C.2.1 of the CG Code stipulate that there should be a clear division of the management of the Board and the day-to-day management of the business. The roles of chairman and chief executive should be separate and should not be performed by the same individual. The Group has not appointed the chief executive officer. In view of Dr. Chow, being the founder of the Group, and his experience and his roles in the Group, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Dr. Chow acts as the chairman of the Board. Day-to-day management of the business of the Group is carried out by the senior management and monitored by the executive Directors, while prior approvals by all executive Directors are required for all strategic decisions which are also considered and confirmed in formal Board meeting. The balance of power and authority of the Company is ensured by the operations of the Board which comprises experienced and competent individuals, with three of them being independent non-executive Directors. The Group believes that the existing management structure and decision making procedures are adequate and in the best interest of the Group to cope with the ever-changing economic environment.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and regulations and the CG Code and align with the latest developments.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard of Dealings**"). The Company had also made specific enquiry of all the Directors and each of them confirmed that they have complied with the Code of Conduct and Required Standard of Dealings throughout the Period. Further, the Company was not aware of any non-compliance with the Required Standard of Dealings regarding securities transactions by the Directors for the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

CHANGES IN INFORMATION OF DIRECTORS

Changes in Directors' information since the publication of the Company's 2025 Annual Report that are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules are set out below:

- Mr. Shi Yiwu retired as an executive Director with effect from the conclusion of the annual general meeting (the "**AGM**") of the Company held on 1 June 2026.

- Mr. Li Chiu Fan retired as a non-executive Director with effect from the conclusion of the AGM held on 1 June 2026.

For further details, please refer to the Company's announcement dated 1 June 2026.

Save as disclosed above, there are no other changes in the Directors' information that are required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "**Audit Committee**") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The members of the Audit Committee include three independent non-executive Directors, namely Mr. Poon Lai Yin Michael, Professor Ng Wang Wai Charles and Mr. Tai Chun Kit. Mr. Poon Lai Yin Michael is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the Period and this report and is of the opinion that such results and report have been complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board
Niche-Tech Semiconductor Materials Limited
Chow Bok Hin Felix
Executive Chairman and Executive Director

Hong Kong, 31 August 2026

As at the date of this report, the executive Directors are Dr. Chow Bok Hin Felix and Professor Chow Chun Kay Stephen, the non-executive Director is Mrs. Chow Fung Wai Lan Rita, and the independent non-executive Directors are Professor Ng Wang Wai Charles, Mr. Tai Chun Kit and Mr. Poon Lai Yin Michael.

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