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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE, 2025

HIGHLIGHTS

Our revenue for the six months ended 30 June, 2025 reached approximately US\$1,360,302,000, representing an increase of approximately 132.2% as compared with the corresponding period ended 30 June, 2024.

Our net profit attributable to equity shareholders of the Company for the six months ended 30 June, 2025 was approximately US\$67,398,000 whereas our net profit attributable to equity shareholders of the Company for the six months ended 30 June, 2024 was approximately US\$16,039,000.

Basic earnings per share for the six months ended 30 June, 2025 was US7.8 cents, whereas basic earnings per share for the six months ended 30 June, 2024 was US1.9 cents.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Cowell e Holdings Inc. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June, 2025 (the “**Reporting Period**”) together with comparative figures for the six months ended 30 June, 2024. The interim financial report is unaudited, but has been reviewed by the Company’s auditor, 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, whose independent review report will be included in the interim report of the Company for the Reporting Period to be despatched to the shareholders of the Company (the “**Shareholders**”). The interim financial results have also been reviewed with no disagreement by the audit committee (the “**Audit Committee**”) of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS — UNAUDITED

(Expressed in United States dollars)

		Six months ended 30 June,	
	Note	2025	2024
		\$'000	\$'000
Revenue	3 & 4	1,360,302	585,934
Cost of sales		<u>(1,204,625)</u>	<u>(514,400)</u>
Gross profit		155,677	71,534
Other income		9,573	12,335
Selling and distribution expenses		(2,114)	(1,585)
Administrative expenses		<u>(68,433)</u>	<u>(56,808)</u>
Profit from operations		94,703	25,476
Finance costs	5(a)	(9,572)	(8,169)
Share of loss of an associate		<u>(115)</u>	<u>—</u>
Profit before taxation	5	85,016	17,307
Income tax	6	<u>(17,613)</u>	<u>(698)</u>
Profit for the period		<u>67,403</u>	<u>16,609</u>
Attributable to:			
Equity shareholders of the Company		67,398	16,039
Non-controlling interests		<u>5</u>	<u>570</u>
Profit for the period		<u>67,403</u>	<u>16,609</u>
Earnings per share	7		
Basic		<u>\$0.078</u>	<u>\$0.019</u>
Diluted		<u>\$0.075</u>	<u>\$0.018</u>

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

(Expressed in United States dollars)

	Six months ended 30 June,	
	2025	2024
	\$'000	\$'000
Profit for the period	67,403	16,609
Other comprehensive income for the period (after tax adjustments):		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements	4,040	(4,706)
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement of net defined benefit obligation	(12)	(8)
Other comprehensive income for the period	4,028	(4,714)
Total comprehensive income for the period	71,431	11,895
Attributable to:		
Equity shareholders of the Company	71,395	11,369
Non-controlling interests	36	526
Total comprehensive income for the period	71,431	11,895

CONSOLIDATED STATEMENT OF FINANCIAL POSITION — UNAUDITED

(Expressed in United States dollars)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION —
UNAUDITED (CONTINUED)**
(Expressed in United States dollars)

	At 30 June, 2025 \$'000	At 31 December, 2024 \$'000
<i>Note</i>		
Total assets less current liabilities	762,951	677,777
Non-current liabilities		
Bank loans	127,039	117,623
Lease liabilities	32,514	33,462
Net defined benefit retirement obligation	35	6
Deferred income	2,970	3,031
	162,558	154,122
NET ASSETS	600,393	523,655
CAPITAL AND RESERVES		
Share capital	3,452	3,449
Reserves	589,783	513,084
Total equity attributable to equity shareholders of the Company	593,235	516,533
Non-controlling interests	7,158	7,122
TOTAL EQUITY	600,393	523,655

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in United States dollars unless otherwise indicated)

1 BASIS OF PREPARATION

The interim financial information set out in this announcement does not constitute the interim financial report of the Group for the six months ended 30 June, 2025 but is extracted from that interim financial report which has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), including compliance with International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issue on 21 August, 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The financial information relating to the financial year ended 31 December, 2024 that is included in this announcement of the interim results and 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 Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to the interim financial report for the current accounting period. The amendments do not have a material impact on the interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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

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

Associate

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

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

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

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

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

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

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

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

4 SEASONALITY OF OPERATIONS

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

For the twelve months ended 30 June, 2025, the Group recorded a revenue of \$3,268,626,000 (twelve months ended 30 June, 2024: \$1,143,055,000), and gross profit of \$357,043,000 (twelve months ended 30 June, 2024: \$148,447,000).

5 PROFIT BEFORE TAXATION

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

	Six months ended 30 June,	
	2025	2024
	\$'000	\$'000
(a) <i>Finance costs</i>		
Interest on bank loans	8,676	7,836
Interest on lease liabilities	896	333
	<u>9,572</u>	<u>8,169</u>
(b) <i>Other items</i>		
Amortisation	284	364
Depreciation	32,203	16,057
Research and development costs (other than depreciation and amortisation)	54,330	36,361
Interest income	(4,497)	(5,872)
Net loss/(gain) on disposal of property, plant and equipment	3,134	(21)
(Reversal of)/loss allowance for expected credit loss	(519)	109
	<u>(519)</u>	<u>109</u>

6 INCOME TAX

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

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

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

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

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

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

Withholding tax on dividend received is charged at 5%.

(b) Pillar Two income tax

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

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

7 EARNINGS PER SHARE

(a) Basic earnings per share

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

(b) Diluted earnings per share

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

8 PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

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

(b) Acquisitions and disposals of owned assets

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

(c) Customer's equipment

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

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

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

10 TRADE AND OTHER PAYABLES

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

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

11 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividend was paid during the interim period (six months ended 30 June, 2024: Nil). The Directors do not recommend the payment of an interim dividend after the end of the reporting period (six months ended 30 June, 2024: Nil).

(b) Equity settled share-based transactions

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

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

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

(c) Purchase of own shares

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a supplier of delicate optical modules for electronic mobile devices. It engages in the design, development, manufacture and sale of a variety of modules and systems integration products that are used in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands.

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

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

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

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

OUTLOOK AND FUTURE STRATEGIES

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

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

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

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

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

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

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

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

Looking forward, for the new rapidly growing fields, the Company will continue to focus on enhancing cooperation with existing customers, expanding new customer base, enriching product portfolio, accelerating process automation, improving process capabilities, optimizing internal efficiency, and fully exploring the team’s comprehensive potential, in a push to improve services and added value for customers while focusing on long-term product and business planning. To this end, the Company will continue to increase its

research and development resources, boost market development, and build a team that is adaptive to the market, in order to deliver maximum value for all shareholders. With innovative core and flexible strategies, the Group is expected to undergo stable growth amidst the global industrial restructuring and upgrades in order to generate sustainable and high returns for shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

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

PLEDGE OF THE GROUP'S ASSETS

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

CAPITAL EXPENDITURES AND COMMITMENTS

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

CONTINGENT LIABILITIES

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

HUMAN RESOURCES

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

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

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

Furthermore, to provide incentive or reward to our employees for their contribution or potential contribution to, and continuing efforts to promote the interests of, the Group with greater flexibility, the Group had terminated the share option scheme of the Company adopted on 4 February, 2015 and adopted a new Share Option Scheme on 5 May, 2021. For the Reporting Period, 672,000 options had been exercised, 274,000 options had been cancelled and 180,000 options had been lapsed. During the six months ended 30 June, 2024, 5,059,000 options were exercised, 149,000 options were cancelled and 150,000 options were lapsed. As at 30 June, 2025, based on the number of options granted and which had not been exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 46,184,880, representing approximately 5.4% of the issued shares of the Company. For details of the Share Option Scheme, please refer to the circular of the Company dated 20 April, 2021. The Board also approved the adoption of a share award scheme for the Company (the "**Share Award Scheme**") on 21 March, 2024. 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, 2024. For the Reporting Period, 400,000 share awards were lapsed and no share awards were granted, vested, cancelled or exercised under the Share Award Scheme. 13,220,000 share awards were outstanding as at 30 June, 2025.

SUPPLEMENTARY INFORMATION

Interim dividend

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

Purchase, sale or redemption of the Company's listed securities

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

Corporate governance

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

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

Audit Committee

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

Model Code of Securities Transactions by Directors

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

Significant events after the Reporting Period

There were no significant events affecting the Company nor any of its subsidiaries after the end of the Reporting Period and up to the date of this announcement requiring disclosure in this announcement.

Publication of 2025 interim results and interim report

The interim results announcement of the Company for the Reporting Period is published on the website of the Company (<http://www.cowelleholdings.com>) and the website of the Stock Exchange (<http://www.hkexnews.hk>). The interim report of the Company for the Reporting Period will be despatched to the Shareholders and will be available on the above websites in due course.

By order of the Board
Cowell e Holdings Inc.
Meng Yan
Chairman

Hong Kong, 21 August, 2025

As at the date of this announcement, the Board comprises Mr. Meng Yan and Mr. Wu Ying-Cheng as executive Directors; Mr. Chen Han-Yang and Mr. Yang Li as non-executive Directors and Ms. Su Yen-Hsueh, Mr. Tsai Chen-Lung and Ms. Liu Xia as independent non-executive Directors.