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

### **UNAUDITED INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of SMC Electric Limited (the “**Company**”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025, together with the unaudited comparative figures for the six months ended 30 June 2024 and certain comparative figures as at the end of the last audited financial year ended 31 December 2024. The condensed consolidated statement of comprehensive income of the Group for the six months ended 30 June 2025 and the condensed consolidated statement of financial position of the Group as at 30 June 2025, along with selected explanatory notes have not been audited, but have been reviewed by the Company’s audit committee.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June 2025 <i>HK\$'000</i> (Unaudited)	Six months ended 30 June 2024 <i>HK\$'000</i> (Unaudited)
	<i>Notes</i>		
<b>Revenue</b>	4	<b>129,981</b>	123,920
Cost of revenue		<u>(97,252)</u>	<u>(89,244)</u>
<b>Gross profit</b>		<b>32,729</b>	34,676
Other income		<b>5,029</b>	3,702
Selling and distribution expenses		<b>(855)</b>	(783)
Administrative and other operating expenses		<b>(22,933)</b>	(22,563)
Other gains		<b>1,531</b>	474
Finance costs		<u><b>(181)</b></u>	<u>(89)</u>
<b>Profit before income tax</b>	5	<b>15,320</b>	15,417
Income tax expense	6	<u><b>(2,424)</b></u>	<u>(2,457)</u>
<b>Profit for the period attributable to owners of the Company</b>		<u><b>12,896</b></u>	<u>12,960</u>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising from translation of operations outside Hong Kong		<u><b>29</b></u>	<u>(107)</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<u><b>12,925</b></u>	<u>12,853</u>
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Earnings per share</b>	8		
– Basic and diluted		<u><b>0.645</b></u>	<u>0.648</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,035	5,746
Right-of-use assets		5,252	6,976
Prepayments for acquisition of property, plant and equipment		1,020	892
Deferred tax assets		713	713
		<u>12,020</u>	<u>14,327</u>
<b>Current assets</b>			
Inventories		12,833	20,353
Trade and other receivables, deposits and prepayments	9	87,008	78,031
Cash and bank balances		86,917	90,431
		<u>186,758</u>	<u>188,815</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	10	40,964	58,212
Lease liabilities		3,498	3,386
Amounts due to fellow subsidiaries		852	536
Tax payable		2,611	1,321
		<u>47,925</u>	<u>63,455</u>
<b>Net current assets</b>		<u>138,833</u>	<u>125,360</u>
<b>Total assets less current liabilities</b>		<u>150,853</u>	<u>139,687</u>
<b>Non-current liabilities</b>			
Lease liabilities		1,826	3,585
Deferred tax liabilities		521	521
		<u>2,347</u>	<u>4,106</u>
<b>Net assets</b>		<u><u>148,506</u></u>	<u><u>135,581</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	11	20,000	20,000
Reserves		128,506	115,581
<b>Total equity</b>		<u><u>148,506</u></u>	<u><u>135,581</u></u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the six months ended 30 June 2025*

## 1. GENERAL INFORMATION

SMC Electric Limited was incorporated on 5 December 2018 in the Cayman Islands as an exempted company with limited liability. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 2 June 2020.

The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is located at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities carried out by the Company and its subsidiaries are manufacturing and selling of electric tools and sourcing and selling of electric fans.

The Directors of the Company consider its ultimate holding company to be Shell Electric Holdings Limited, a company incorporated in Bermuda.

## 2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information have been prepared in accordance with Hong Kong Accounting Standard 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The unaudited condensed consolidated interim financial information do not include all the information and disclosures required for the preparation of the annual financial statements in accordance with HKFRS Accounting Standards (collectively including Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and interpretations) as issued by the HKICPA, as well as the disclosure requirements under the Hong Kong Companies Ordinance. Therefore, it should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024 (the “**Annual Report 2024**”).

The unaudited condensed consolidated interim financial information has been prepared under the historical cost basis and presented in Hong Kong Dollars (“**HK\$**”), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated interim financial information have been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the Annual Report 2024 except for the adoption of new and amended HKFRS Accounting Standards as mentioned in note 3.

In preparing the unaudited condensed consolidated interim financial information, the significant judgments made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the Annual Report 2024.

### 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### 3.1 Adoption of amendments to HKFRS Accounting Standards – effective on 1 January 2025

During the current period, the Group has applied for the first time the following amendments to HKFRS Accounting Standards, which are relevant to and effective for the Group's unaudited condensed consolidated financial statements for the period beginning on 1 January 2025.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability
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Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the unaudited interim condensed consolidated financial information.

#### 3.2 New and amendments to HKFRS Accounting Standards that have been issued but are not yet effective

The following new and amendments to HKFRS Accounting Standards, potentially relevant to the Group's unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group in the preparation of the unaudited condensed consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>1</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

The directors anticipate that all of the relevant pronouncement will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible impact of these new and amendments to standards on the Group's results and financial position and/or the disclosures to the unaudited condensed consolidated financial statements upon initial application.

#### 4. REVENUE

The Group is principally engaged in the manufacturing and selling of electric tools and sourcing and selling of electric fans. Sales from the principal activities represent revenue from contracts with customers within the scope of HKFRS 15 *Revenue from contracts with customers*, which is recognised at a point in time and comprise:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of electric fans and electric tools:		
– Fans	68,675	59,054
– Vacuum cleaners	49,219	53,320
– Work lights	12,087	11,445
– Others	–	101
	<u>129,981</u>	<u>123,920</u>

#### 5. PROFIT BEFORE INCOME TAX

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit before income tax is arrived at after charging:		
Cost of inventories recognised as expense		
– Carrying amount of inventories consumed	96,817	89,208
– Allowance for inventories	435	36
	<u>97,252</u>	<u>89,244</u>
Depreciation of property, plant and equipment	838	1,075
Depreciation of right-of-use assets	1,746	1,772
Employee benefit expenses (including Directors' emoluments):		
– Salaries, wages and other benefits	18,931	17,698
– Contribution to defined contribution retirement plans	754	627
	<u>19,685</u>	<u>18,325</u>

## 6. INCOME TAX EXPENSE

The amount of income tax expense in the unaudited condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax		
– Hong Kong Profits Tax	1,583	1,533
– Other regions of the People's Republic of China (the "PRC")		
– Enterprise Income Tax ("EIT")	1,030	943
– Over provision in respect of prior period	(189)	(19)
	<u>2,424</u>	<u>2,457</u>
Income tax expense	<u>2,424</u>	<u>2,457</u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to income tax in the Cayman Islands.

Hong Kong Profits Tax was calculated at 16.5% (2024: 16.5%) on the estimated assessable profits derived from Hong Kong for the period.

EIT arising from other regions of the PRC was calculated at 25% (2024: 25%) on the estimated assessable income for the period.

## 7. DIVIDEND

Final dividend of HK\$0.005 per ordinary share, amounting to HK\$10,000,000, in respect of 2024, proposed by the Directors was approved by the shareholders in the annual general meeting held on 13 June 2025.

An interim dividend in respect of 2025 of HK\$0.005 (six months ended 30 June 2024: HK\$0.005) per share amounting to a total of approximately HK\$10,000,000 was declared by the Board of the Directors on 22 August 2025. This interim dividend has not been included as a liability in these unaudited condensed consolidated financial statements as it was declared after the end of the reporting period.

The amount of the interim dividend was calculated on the basis of 2,000,000,000 shares in issue as at 22 August 2025.

## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Profit:</b>		
Profit for the period attributable to owners of the Company	<u>12,896</u>	<u>12,960</u>
	Six months ended 30 June	
	2025	2024
	Number of	Number of
	shares	shares
	'000	'000
	(Unaudited)	(Unaudited)
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue during the period	<u>2,000,000</u>	<u>2,000,000</u>

The weighted average number of ordinary shares used for the purpose of calculating basic earnings per share represented the weighted average number of ordinary shares in issue during the period.

### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share for the six months ended 30 June 2025 and 2024 as there were no dilutive potential ordinary shares in issue during both periods.



## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade receivables	73,225	67,659
Less: Provision for impairment	(197)	(176)
Trade receivables, net	73,028	67,483
Other receivables	3,555	951
Other prepayments and deposits	10,425	9,597
	<b>87,008</b>	<b>78,031</b>

The ageing analysis of the trade receivables (gross), based on invoice date, as of the end of each reporting period is as follows:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0 to 30 days	20,699	20,277
31 to 60 days	14,210	16,451
61 to 90 days	13,506	13,153
Over 90 days	24,810	17,778
	<b>73,225</b>	<b>67,659</b>

The Group normally allows a credit period of 0 days to 120 days to its customers.

## 10. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade payables	22,458	33,478
Accruals and other payables	17,013	22,617
Contract liabilities	1,493	2,117
	<b>40,964</b>	<b>58,212</b>

Credit periods granted by suppliers normally range from 0 to 120 days.

The ageing analysis of trade payables, based on invoice date, as of the end of each reporting period is as follows:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
0 to 30 days	<b>9,010</b>	14,672
31 to 60 days	<b>2,878</b>	9,097
61 to 90 days	<b>2,541</b>	2,659
Over 90 days	<b>8,029</b>	7,050
	<b>22,458</b>	33,478

## 11. SHARE CAPITAL

Details of the movements in the authorised and issued and fully paid share capital of the Company during the year ended 31 December 2024 and the six months ended 30 June 2025 are summarised as follows:

<b>Ordinary shares</b>	<b>Par value HK\$</b>	<b>Number of ordinary shares</b>	<b>Amount HK\$'000</b>
<b><u>Authorised:</u></b>			
At 1 January 2024, 31 December 2024 (audited) and 30 June 2025 (unaudited)	0.01	5,000,000,000	50,000
<b><u>Issued and fully paid:</u></b>			
At 1 January 2024, 31 December 2024 (audited) and 30 June 2025 (unaudited)	0.01	2,000,000,000	20,000

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

In the first half of 2025, the Group's sales increased compared to last year. The electric fan business performed above expectation and was able to obtain a double digit growth in both Africa and Australia. For the electric tools business, sales was similar to the same period as last year. The operation in Vietnam had moved to a new factory, to make adequate preparation for the future.

Looking forward, year 2025 continues to be challenging. We will continue to keep abreast of changes in market demand, to provide quality services and products in accordance to customers' needs. In addition, we will adopt flexible sales strategies and strive to achieve a stable return.

### **FINANCIAL REVIEW**

#### **Revenue and Operating Results**

Revenue from the Group's operations for the six months ended 30 June 2025 amounted to HK\$130.0 million, representing an increase of HK\$6.1 million or 4.9% as compared to HK\$123.9 million for the corresponding period in 2024. Such increase was primarily attributable to the increase in the sales volume.

The Group's gross profit for the six months ended 30 June 2025 amounted to HK\$32.7 million, representing a decrease of HK\$2.0 million as compared to HK\$34.7 million for the corresponding period in 2024. The gross profit margin for the six months ended 30 June 2025 was 25.2%, representing a decrease of 2.8 percentage points compared to 28.0% for the corresponding period in 2024. The decrease in gross profit for the period was mainly attributable to the decrease of sales unit price of electric tools.

Profit attributable to the owners of the Company for the six months ended 30 June 2025 was HK\$12.9 million, representing a decrease of HK\$0.1 million or 0.8% as compared to HK\$13.0 million for the corresponding period in 2024. The decrease in profit for the period was mainly attributable to the decrease of sales unit price of electric tools.

#### **Liquidity, Financial Resources and Capital Structure**

The Group has adequate liquidity and financial resources to meet the working capital requirements and other financial obligations in the second half of the financial year. The Group will continue to follow a prudent treasury policy and maintain a healthy financial and liquidity position to achieve the Group's future business development. As at 30 June 2025, the Group's total cash and bank balances amounted to approximately HK\$86.9 million (31 December 2024: HK\$90.4 million) which is mainly denominated in United States Dollars ("US\$").

As at 30 June 2025, the current ratio of the Group was approximately 3.90 times (31 December 2024: approximately 2.98 times).

The capital of the Group comprises only ordinary shares. As at 30 June 2025, there were 2,000,000,000 ordinary shares in issue. There has been no change in the Company's capital structure since the date of listing and up to the date of this announcement.

## **Foreign Exchange Exposure**

The Group mainly operates in Hong Kong, the PRC and Vietnam. The functional currencies of the Company and the Group's operating entities are mainly HK\$ and Renminbi ("RMB") with certain of their business transactions being settled in US\$. The Group is thus exposed to currency risk arising from fluctuation on exchange rates of foreign currencies, primarily HK\$, RMB and US\$ against the functional currencies of the relevant operating entities. During the period, the Group does not have a foreign currency hedging policy, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **Gearing Ratio**

The gearing ratio of the Group (expressed as a percentage of total bank borrowings net of cash and bank balances to total equity of the Group) as at 30 June 2025 was nil (31 December 2024: nil) as the Group had net cash balances at the respective period end.

## **Capital Expenditure and Capital Commitments**

During the six months ended 30 June 2025, the Group incurred capital expenditure of approximately HK\$0.2 million for purchases of property, plant and equipment and prepayments for acquisition of property, plant and equipment (six months ended 30 June 2024: approximately HK\$0.4 million).

As at 30 June 2025, the Group had total capital commitments of approximately HK\$0.6 million (31 December 2024: HK\$0.1 million) for the acquisition of property, plant and equipment.

## **Contingent Liabilities**

The Directors confirm that there were no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

## **Significant Investment/Material Acquisition and Disposal**

During the six months ended 30 June 2025, the Group had not made any significant investments or material acquisitions and disposal of subsidiaries.

## **Employees and Remuneration Policy**

As at 30 June 2025, the total number of employees of the Group was 115 (31 December 2024: 115), which were stationed in the PRC, Hong Kong and Vietnam. The Group regularly reviews remuneration and benefits to its employees according to the relevant market practices and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance, employee provident fund schemes and discretionary incentive.

## **PLEDGE ON ASSETS**

As at 30 June 2025, the Group did not have any assets which were pledged as security for the Group's borrowings (31 December 2024: Nil).

## **INTERIM DIVIDEND**

### **DIVIDEND**

The Board has resolved to declare an interim dividend of HK\$0.005 (six months ended 30 June 2024: HK\$0.005) per share for the six months ended 30 June 2025 to be paid on Friday, 26 September 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 10 September 2025.

### **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 8 September 2025 to Wednesday, 10 September 2025, both dates inclusive, during which period no transfer of shares of the Company will be registered for the purpose of determining the entitlement to the interim dividend.

In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, 5 September 2025 for registration.

### **SHARE OPTION SCHEME**

The Company has a share option scheme which was approved and adopted by the shareholder of the Company on 29 April 2020.

No share option has been granted under the share option scheme since its adoption.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the six months ended 30 June 2025, neither the Company, nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities.

### **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2025.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

### **MODEL CODE FOR 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 as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management and relevant employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2025. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the period under review.

## **AUDIT COMMITTEE**

The Company has established an audit committee comprising two independent non-executive directors and one non-executive director, namely Mr. Leung Man Chiu, Lawrence (Chairman), Mr. Poon Chak Sang, Plato and Mr. Yung Kwok Kee, Billy. The audit committee has reviewed, with no disagreement, with the senior management on the Group's interim results and the interim financial information for the six months ended 30 June 2025, including the accounting principles and practices adopted by the Group, and discussed financial reporting, auditing and internal controls matters.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the HKEXnews website of the Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company's website (<http://www.smcelectric.com.hk>). The Interim Report for the six months ended 30 June 2025 will be despatched to shareholders of the Company and will be made available on the above websites in due course.

By Order of the Board  
**SMC Electric Limited**  
**LI Pik Mui, Cindy**  
*Non-Executive Director*

Hong Kong, 22 August 2025

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. LEUNG Chun Wah, Mr. TANG Che Yin and Mr. CHOW Kai Chiu, David; two non-executive directors, namely, Mr. YUNG Kwok Kee, Billy and Mdm. LI Pik Mui, Cindy; and three independent non-executive directors, namely, Mr. LEUNG Man Chiu, Lawrence, Mr. POON Chak Sang, Plato and Mr. HO Chi Sing, Spencer.*