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**APEX ACE**  
**APEX ACE HOLDING LIMITED**  
**光麗科技控股有限公司\***  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 6036)**

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

**RESULTS HIGHLIGHT**

- Revenue amounted to approximately HK\$2,197.9 million in 1H2025, representing an increase of 37.9% as compared with 1H2024.
- Gross profit amounted to approximately HK\$111.5 million in 1H2025, representing an increase of 18.1% as compared with 1H2024.
- The net profit attributable to owners of the Company for 1H2025 amounted to approximately HK\$10.7 million, representing an increase of 287.2% as compared with 1H2024.
- Basic earnings per share for 1H2025 amounted to 1.01 HK cents, while basic earnings per share of 0.26 HK cents was recorded for 1H2024.

**INTERIM RESULTS**

The board of directors of Apex Ace Holding Limited (the “**Company**”, the “**Directors**” and the “**Board**”, respectively) hereby announces the unaudited financial results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025 (“**1H2025**” or the “**Review Period**”) together with the comparative figures for the six months ended 30 June 2024 (“**1H2024**” or the “**Last Corresponding Period**”). These unaudited financial results for 1H2025 have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

\* For identification purpose only

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	1H2025 HK\$'000 (Unaudited)	1H2024 HK\$'000 (Unaudited)
Revenue	3	2,197,905	1,593,301
Cost of sales		<u>(2,086,362)</u>	<u>(1,498,816)</u>
Gross profit		111,543	94,485
Other income	4	2,406	8,816
Decrease in fair value of investment property		(1,900)	–
Reversal of impairment loss on trade receivables		1,026	3,100
Fair value gain in financial instrument at fair value through profit or loss		179	175
Fair value gain/(loss) in derivative asset		1,416	(1,099)
Distribution and selling expenses		(34,114)	(30,564)
Administrative expenses		(34,360)	(43,837)
Finance costs	5	<u>(19,860)</u>	<u>(25,819)</u>
Profit before tax	6	26,336	5,257
Income tax expense	7	<u>(6,844)</u>	<u>(2,909)</u>
Profit for the period		19,492	2,348
Other comprehensive income/(expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Exchange differences arising on translation of foreign operations		<u>2,309</u>	<u>(1,795)</u>
Total comprehensive income for the period, net of tax		<u><u>21,801</u></u>	<u><u>553</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 June 2025

	Note	1H2025 HK\$'000 (Unaudited)	1H2024 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to:			
– Owners of the Company		10,729	2,771
– Non-controlling interests		<u>8,763</u>	<u>(423)</u>
		<u><b>19,492</b></u>	<u><b>2,348</b></u>
Total comprehensive income/(expense) for the period, net of tax attributable to:			
– Owners of the Company		12,797	1,037
– Non-controlling interests		<u>9,004</u>	<u>(484)</u>
		<u><b>21,801</b></u>	<u><b>553</b></u>
Earnings per share attributable to owners of the Company			
– Basic	8	<u><b>1.01 HK cents</b></u>	<u>0.26 HK cents</u>
– Diluted	8	<u><b>0.99 HK cents</b></u>	<u>0.25 HK cents</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$'000 (Unaudited)	As at 31 December 2024 HK\$'000 (Audited)
	Note		
<b>Non-current assets</b>			
Property, plant and equipment		76,273	78,043
Right-of-use assets		3,537	5,670
Investment property	10	44,500	46,400
Financial instrument at fair value through profit or loss		13,660	13,481
Intangible assets		–	2,334
Deposits paid for acquisition of property, plant and equipment		333	–
Deferred tax assets		13,375	15,977
		<u>151,678</u>	<u>161,905</u>
<b>Current assets</b>			
Derivative asset		1,678	262
Inventories		439,384	379,349
Trade and bills receivables	11	800,030	513,249
Other receivables, deposits and prepayments		86,037	94,983
Income tax recoverable		20	1,216
Bank balances, pledged and restricted balance and cash		120,201	141,697
		<u>1,447,350</u>	<u>1,130,756</u>
<b>Current liabilities</b>			
Trade payables	12	310,734	216,078
Other payables, accruals and deposits received		111,698	76,343
Lease liabilities – current portion		3,075	4,268
Loan from controlling shareholder, unsecured		65,644	19,188
Bank borrowings, secured		737,072	629,601
Income tax payable		3,127	165
		<u>1,231,350</u>	<u>945,643</u>
<b>Net current assets</b>		<u>216,000</u>	<u>185,113</u>
<b>Total assets less current liabilities</b>		<u>367,678</u>	<u>347,018</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

		As at 30 June 2025	As at 31 December 2024
	Note	HK\$'000 (Unaudited)	HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Convertible bond	13	17,484	17,073
Lease liabilities – non-current portion		1,154	2,316
Deferred tax liabilities		3,258	3,672
		<u>21,896</u>	<u>23,061</u>
<b>Net assets</b>		<u><b>345,782</b></u>	<u><b>323,957</b></u>
<b>Capital and reserves</b>			
Share capital	14	10,751	10,751
Reserves		281,383	268,562
<b>Equity attributable to owners of the Company</b>		<b>292,134</b>	279,313
Perpetual subordinated convertible securities		10,000	10,000
Non-controlling interests		43,648	34,644
<b>Total equity</b>		<u><b>345,782</b></u>	<u><b>323,957</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. BASIS OF PREPARATION

The interim financial results set out in this announcement do not constitute the Group's interim financial statements for the Review Period (the “**Interim Financial Statements**”) but are extracted from the Interim Financial Statements.

The Interim Financial Statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**” and the “**Listing Rules**”, respectively), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2024 (“**2024 Annual Financial Statements**”), except for the accounting policy changes that are expected to be reflected in the annual financial statements for the year ending 31 December 2025. Details of any changes in accounting policies are set out in Note 2.

The Interim Financial Statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 Annual Financial Statements. The Interim Financial Statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The Interim Financial Statements are unaudited, but have been reviewed by Graham H. Y. Chan & Co. 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 HKICPA.

## 2. APPLICATION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

### (a) New and revised HKFRS Accounting Standards adopted as at 1 January 2025

For the current period, the Group has adopted for the first time the following amendment to HKFRS Accounting Standards issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 January 2025.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of this amendment to HKFRS Accounting Standards in the current interim period did not have any material impact on the Group's financial performance and financial position.

### (b) New and revised HKFRS Accounting Standards issued but not yet effective

The Group has not applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective for the current period.

HKFRS 18

Presentation and Disclosure in Financial Statements<sup>2</sup>

HKFRS 19

Subsidiaries without Public Accountability: Disclosures<sup>2</sup>

Amendments to HKFRS 9  
and HKFRS 7

Amendments to the Classification and Measurement of  
Financial Instruments<sup>1</sup>

Amendments to HKFRS 10  
and HKAS 28

Sale or Contribution of Assets between an Investor and  
its Associate or Joint Venture<sup>3</sup>

Annual improvements to HKFRS  
Accounting Standards – Volume 11

Amendments to HKFRS 1, HKFRS 7, HKFRS 9,  
HKFRS 10 and HKAS 7<sup>1</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

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The new or amended accounting standards and annual improvements are not expected to have a material impact on the Group in the current or future reporting periods except that the adoption of HKFRS 18 and amendments to HKFRS 9 and HKFRS 7 upon their effective dates are expected to have certain pervasive impact on the classification, measurement, presentation and disclosures of the Group's consolidated financial statements as described in the Group's annual consolidated financial statements for the year ended 31 December 2024.

### 3. REVENUE AND SEGMENT INFORMATION

Segment information reported internally was analysed on the basis of the type of products sold and activities carried out by the Group's operating division. The Group is currently operating in two operating segments as follows:

(a) Digital storage products; and

(b) General components.

	<b>1H2025</b> <b>HK\$'000</b> (Unaudited)	1H2024 <i>HK\$'000</i> (Unaudited)
<b>Segment Revenue</b>		
Digital storage products	1,715,725	1,097,436
General components	<u>482,180</u>	<u>495,865</u>
Total reportable segment revenue	<u><b>2,197,905</b></u>	<u><b>1,593,301</b></u>
<b>Segment Results</b>		
Digital storage products	83,641	56,679
General components	<u>27,902</u>	<u>37,806</u>
Total reportable segment profit	<b>111,543</b>	94,485
Other income	2,406	8,816
Decrease in fair value of investment property	(1,900)	–
Fair value gain in financial instrument at fair value through profit or loss	179	175
Fair value gain/(loss) in derivative asset	1,416	(1,099)
Finance costs	(19,860)	(25,819)
Depreciation of property, plant and equipment	(2,666)	(3,119)
Depreciation of right-of-use assets	(1,902)	(2,119)
Amortisation of intangible assets	(2,364)	(2,366)
Reversal of impairment loss on trade receivables	1,026	3,100
Unallocated corporate expenses	<u>(61,542)</u>	<u>(66,797)</u>
Profit before tax	<b>26,336</b>	5,257
Income tax expenses	<u>(6,844)</u>	<u>(2,909)</u>
Profit for the period	<u><b>19,492</b></u>	<u><b>2,348</b></u>



## Geographical information

The Group is domiciled in Hong Kong. The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets. The geographical location of customers is based on the location of the customers. The geographical location of the non-current assets other than deposits paid for acquisition of property, plant and equipment, financial instrument at fair value through profit or loss, and deferred tax assets is based on the physical location of the assets in case of property, plant and equipment, investment property and right-of-use assets, and the location of operations to which they are allocated in case of intangible assets.

	<b>1H2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>1H2024</b> <b>HK\$'000</b> <b>(Unaudited)</b>
Revenue from external customers		
Hong Kong	<b>694,425</b>	508,979
The People's Republic of China ("PRC")	<b>1,438,650</b>	1,069,506
Others	<b>64,830</b>	14,816
	<b>2,197,905</b>	<b>1,593,301</b>
	<b>As at</b> <b>30 June</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	<b>As at</b> <b>31 December</b> <b>2024</b> <b>HK\$'000</b> <b>(Audited)</b>
Non-current assets		
Hong Kong	<b>112,772</b>	116,069
The PRC	<b>11,498</b>	16,304
Others	<b>40</b>	74
	<b>124,310</b>	<b>132,447</b>

## Information about major customers

The Group's revenue from customers which accounted for 10% or more of the Group's total revenue are as follow:

Segment		1H2025 HK\$'000 (Unaudited)	1H2024 HK\$'000 (Unaudited)
Customer A	Digital storage products	228,798	N/A*
Customer B	Digital storage products	N/A*	196,798
Customer C	Digital storage products and general components	N/A*	191,547

\* The corresponding revenue did not account for over 10% of the total revenue of the Group for that period.

## 4. OTHER INCOME

	1H2025 HK\$'000 (Unaudited)	1H2024 HK\$'000 (Unaudited)
Bank interest income	612	407
Rental income	708	708
Rebate income	–	4,680
Sundry income	1,086	3,021
	<u>2,406</u>	<u>8,816</u>

## 5. FINANCE COSTS

	1H2025 HK\$'000 (Unaudited)	1H2024 HK\$'000 (Unaudited)
Discounting charges on factoring loans	4,671	7,670
Interest on convertible bond	511	512
Interests on other bank borrowings	13,407	16,100
Interest expense on lease liabilities	137	212
Interest expense on loan from controlling shareholder	1,134	1,325
	<u>19,860</u>	<u>25,819</u>

## 6. PROFIT BEFORE TAX

Profit for the period has been arrived at after charging/(crediting):

	<b>1H2025</b>	1H2024
	<b>HK\$'000</b>	HK\$'000
	(Unaudited)	(Unaudited)
Cost of inventories recognised as expenses	<b>2,082,965</b>	1,498,626
Write-down of inventories	<b>3,397</b>	190
Auditor's remuneration	<b>310</b>	800
Depreciation of property, plant and equipment	<b>2,666</b>	3,119
Depreciation – right-of-use assets	<b>1,902</b>	2,119
Amortisation of intangible assets ( <i>note 1</i> )	<b>2,364</b>	2,366
Net foreign exchange (gain)/loss	<b>(1,745)</b>	4,089
Short term leases expenses in respect of land and buildings	<b>162</b>	100
Commission and promotion expenses	<b>22,841</b>	17,285
Research and development expenses ( <i>note 2</i> )	<b>1,361</b>	1,910
Staff costs including directors' emoluments		
– Basic salaries and allowance	<b>20,940</b>	21,072
– Contributions to defined contribution retirement plans	<b>1,625</b>	2,027
– Share-based payments	–	83
– Messing and welfare	<b>459</b>	442
Loss on disposal of property, plant and equipment	<b>–</b>	49
	<b>=====</b>	<b>=====</b>

*Notes:*

1. Amortisation of intangible assets was included in administrative expenses.
2. Staff costs of approximately HK\$1,163,000 (1H2024: HK\$1,562,000) were included in research and development expenses.

## 7. INCOME TAX EXPENSE

	1H2025 <i>HK\$'000</i> (Unaudited)	1H2024 <i>HK\$'000</i> (Unaudited)
Current tax:		
Hong Kong Profits Tax	4,432	194
PRC tax	<u>3</u>	<u>–</u>
	4,435	194
Deferred tax	<u>2,409</u>	<u>2,715</u>
Total income tax expense recognised in profit or loss for the period	<u><b>6,844</b></u>	<u><b>2,909</b></u>

Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits of the qualifying group entity and at 16.5% on the estimated assessable profits above HK\$2 million. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

For qualified small and thin-profit enterprises in the PRC, the effective Enterprise Income Tax rate for 1H2025 is 5% (1H2024: 5%) on the annual taxable income up to Renminbi (“**RMB**”) 3 million (inclusive). Certain PRC subsidiaries of the Company enjoy this preferential income tax treatment for the periods.

## 8. EARNINGS PER SHARE

### Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	1H2025 <i>HK\$'000</i> (Unaudited)	1H2024 <i>HK\$'000</i> (Unaudited)
Profit for the period attributable to owners of the Company	10,729	2,771
Interest on perpetual subordinated convertible securities	<u>(50)</u>	<u>(50)</u>
Earnings used in the calculation of basic earnings per share	<u><u>10,679</u></u>	<u><u>2,721</u></u>

	1H2025 (Unaudited)	1H2024 (Unaudited)
Weighted average number of ordinary shares in issue for the purpose of basic earnings per share	<u><u>1,054,005,000</u></u>	<u><u>1,055,130,164</u></u>

For 1H2025 and 1H2024, the weighted average number of ordinary shares for the purpose of calculation of basic earnings per share has been adjusted for the effect of shares held by the custodian of restricted share award scheme (the “**Custodian**”) pursuant to the restricted share award scheme adopted by the Company on 30 August 2019 (the “**Restricted Share Award Scheme**”).

### Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	1H2025 <i>HK\$'000</i> (Unaudited)	1H2024 <i>HK\$'000</i> (Unaudited)
Earnings used in the calculation of basic earnings per share	10,679	2,721
Interest on perpetual subordinated convertible securities	<u>50</u>	<u>50</u>
Earnings used in the calculation of diluted earnings per share	<u><u>10,729</u></u>	<u><u>2,771</u></u>

	<b>1H2025</b> <b>(Unaudited)</b>	1H2024 (unaudited)
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,054,005,000</b>	1,055,130,164
Unvested shares under Restricted Share Award Scheme	–	4,846,000
Perpetual subordinated convertible securities	<b>28,570,000</b>	28,570,000
Weighted average number of ordinary shares in issue for the purpose of diluted earnings per share	<b>1,082,575,000</b>	1,088,546,164
Diluted earnings per share	<b>0.99 HK cents</b>	0.25 HK cents

During 1H2025 and 1H2024, the Group excluded potential shares arising from conversion of convertible bond from the computation of diluted earnings per share due to anti-dilutive effect.

## 9. DIVIDENDS

The Board has resolved not to declare any interim dividend for 1H2025 (1H2024: nil).

## 10. INVESTMENT PROPERTY

	<b>As at</b> <b>30 June</b> <b>2025</b> <b>HK\$'000</b> <b>(Unaudited)</b>	As at 31 December 2024 <i>HK\$'000</i> (Audited)
<b>At fair value</b>		
At 1 January 2025/2024	<b>46,400</b>	48,200
Fair value adjustment for the period/year	<b>(1,900)</b>	(1,800)
At 30 June 2025/31 December 2024	<b>44,500</b>	46,400

The Group's investment property is a commercial property situated in Hong Kong and leased out to a third party. The investment property was revalued by Ravia Global Appraisal Advisory Limited, an independent professional property valuer, as at 30 June 2025 and 31 December 2024 respectively on an open market value basis.

## 11. TRADE AND BILLS RECEIVABLES

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Trade receivables	860,860	577,021
Bills receivable	<u>4,029</u>	<u>1,938</u>
	864,889	578,959
Less: allowance for impairment	<u>(64,859)</u>	<u>(65,710)</u>
	<u><b>800,030</b></u>	<u><b>513,249</b></u>

The following is an ageing analysis of trade receivables based on the invoice date:

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
0-30 days	379,291	234,371
31-60 days	251,978	136,421
61-90 days	121,546	93,091
More than 90 days	<u>108,045</u>	<u>113,138</u>
Total trade receivables before impairment	860,860	577,021
Bills receivables	4,029	1,938
Less: allowance for impairment	<u>(64,859)</u>	<u>(65,710)</u>
	<u><b>800,030</b></u>	<u><b>513,249</b></u>

The Group's trading terms with its customers are mainly on open account terms, except for new customers, where payment in advance is normally required. The balance of the trade receivables is on open account terms, which is normally covered by customers' letters of credit or factored to external financial institutions. The credit terms vary from 1 day to 120 days after the monthly statement. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are regularly reviewed by management. Trade receivables are non-interest-bearing and their carrying amounts approximate to their fair values.

## 12. TRADE PAYABLES

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

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Trade payables:		
0-30 days	220,866	112,514
31-60 days	72,958	49,773
61-90 days	6,305	26,805
More than 90 days	10,605	26,986
	<u>310,734</u>	<u>216,078</u>

## 13. CONVERTIBLE BOND

	As at 30 June 2025 <i>HK\$'000</i> (Unaudited)	As at 31 December 2024 <i>HK\$'000</i> (Audited)
Liability component:		
– Non-current liabilities	<u>17,484</u>	<u>17,073</u>
		<b>1H2025</b> <b><i>HK\$'000</i></b>
At 1 January 2025 (Audited)		17,073
Interest charged		511
Repayment		<u>(100)</u>
At 30 June 2025 (Unaudited)		<u>17,484</u>



The Company issued a convertible bond with principal amount of HK\$20,000,000 to Nicegoal Limited on 23 February 2022 (“**CB**”). The coupon rate of the CB is 0.5% per annum. The CB will mature in the fifth anniversary of the issue date, i.e. 23 February 2027 (the “**Maturity Date**”), or can be converted into 57,140,000 shares at any time up to and including the date falling on the seventh day immediately prior to the Maturity Date at the bondholder’s option at the conversion price of HK\$0.35 per share. At any time prior to the Maturity Date, the Company shall have the right to partly or fully redeem the CB early, by giving 10 business days’ prior notice in writing to the bondholder.

The CB comprises a liability component, an equity conversion component and an early redemption option. The Group appointed a professional valuer to estimate the fair values of the CB and its components and option at 30 June 2025 and 31 December 2024.

#### 14. SHARE CAPITAL

	Number of shares	Amount HK\$
<b>The Company</b>		
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 January 2024, 31 December 2024,		
1 January 2025 and 30 June 2025	<u>2,000,000,000</u>	<u>20,000,000</u>
Issued and fully paid:		
As at 1 January 2024, 31 December 2024(audited),		
1 January 2025 and 30 June 2025 (unaudited)	<u>1,075,110,000</u>	<u>10,751,100</u>

*Note:*

As at 30 June 2025, 21,105,000 of the Company’s shares were held by the Custodian (31 December 2024: 21,105,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRIAL OVERVIEW

The Group is a Hong Kong-based distributor of semiconductors and other electronic components, and is engaged in the supply of digital storage products and general electronic components along with the provision of complementary technical support. It focuses on identifying, sourcing, selling and distributing quality electronic components produced by branded upstream manufacturers to downstream manufacturers within the technology, media, telecommunications and new energy sector in Mainland China, Hong Kong and Taiwan.

In the first half of 2025, the global semiconductor market showed structural growth and divergence. AI-driven high-performance computing demand became the core growth engine, while traditional sectors such as consumer electronics and automotive electronics gradually recovered. According to the latest forecast from the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is expected to reach USD700.9 billion in 2025, representing a year-on-year growth of 11.2%. The growth will mainly be driven by the demand for logic chips and memory products, which are continuously boosted by artificial intelligence, cloud infrastructure, and high-end consumer electronics products, with a double-digit increase expected. Additionally, the sensor and analog chip markets will experience moderate growth, while categories such as discrete semiconductors and optoelectronics may experience a slight decline due to trade and economic constraints.

Specifically, driven by artificial intelligence, the demand for logic chips and memory chips remains strong. In the logic chip sector, AI computing power demand has driven continuous growth in the market for logic chips such as GPUs and FPGAs. In the memory chip sector, the market for general-purpose DRAM, primarily used in PCs and basic servers, is rapidly forming a supply-demand imbalance, with prices soaring. HBM (High Bandwidth Memory) demand has seen explosive growth, becoming a star product in the semiconductor market. At the same time, regional divergence is significant. The Americas market continues to lead, while China and the Asia-Pacific region, benefiting from the increased AI endpoint penetration rate, contribute 35% of the global incremental demand.

The overall demand in the power semiconductor market has improved, and inventory has been destocked. However, in an environment where supply is abundant and downstream demand is moderately recovering, the industry still shows a structural improvement trend. On one hand, the growth rate in the consumer electronics industry has slowed, and the demand for new energy vehicles has experienced some fluctuations in the short term. On the other hand, the demand for high-end automotive electronics, high-performance computing, and high-speed communication is providing new growth drivers for the industry, while the industrial sector is also gradually recovering. Additionally, the development of new-generation technologies brings new opportunities for industry growth.

Amid the global chip market boom, the U.S. continues to escalate export controls on high-end chips to China. Global leading enterprises are increasingly allocating production capacity to their home markets, accelerating the decoupling of the global supply chain from China. Domestic substitution has entered a critical and challenging stage, and the need for independent control over key segments of the semiconductor industry chain has become more urgent. China's 14th Five-Year Plan clearly sets a target of achieving a 70% self-sufficiency rate in chips, presenting valuable market opportunities for domestic chip companies.

## **BUSINESS REVIEW**

### **By product type**

#### ***Digital storage products***

The Group's digital storage products include DRAM, FLASH and MCP memory products, which are widely applied to multimedia and mobile devices such as set-top boxes, smart TVs, wearable devices, mobile phones, etc. These products also include optical and mass storage products, which are mainly used in enterprise-level storage and server systems.

During the Review Period, revenue generated from this product segment increased by 56.3% to approximately HK\$1,715.7 million (1H2024: HK\$1,097.4 million), which was mainly due to increase in prices of products sold. Gross profit of the segment increased to approximately HK\$83.6 million (1H2024: HK\$56.7 million), representing an increase of 47.6% when compared with the Last Corresponding Period. Gross profit margin for this segment dropped to 4.9% (1H2024: 5.2%), which was mainly due to the extent of increase in product costs was more than that of the increase in product selling price in the 1H2025.

## ***General Components***

General components include switches, connectors, passive components, main chips, sensors, power semiconductors and analog-to-digital converters, which are mainly designed for use in mobile and multimedia devices.

During the Review Period, revenue generated from this product segment decreased by 2.8% to approximately HK\$482.2 million (1H2024: HK\$495.9 million), which was mainly due to the decline in selling prices of the Group's products. Gross profit of this segment also decreased to approximately HK\$27.9 million (1H2024: HK\$37.8 million), representing a decrease of 26.2% when compared with the Last Corresponding Period. Meanwhile, gross profit margin for this segment decreased to 5.8% for 1H2025 (1H2024: 7.6%).

## **FINANCIAL REVIEW**

### **Revenue**

The two major product segments, namely digital storage products and general components, contributed 78.1% and 21.9% of the Group's total revenue during the Review Period, respectively.

The Group's revenue for the Review Period was approximately HK\$2,197.9 million (1H2024: HK\$1,593.3 million), representing an increase of 37.9% compared to the Last Corresponding Period. The growth in revenue was primarily attributable to the rebound in unit prices of certain products during the Review Period.

### **Gross profit and gross profit margin**

The Group's gross profit for the Review Period amounted to approximately HK\$111.5 million (1H2024: HK\$94.5 million), representing an increase of 18.1% when compared with the Last Corresponding Period, while the gross profit margin was 5.1% (1H2024: 5.9%). The decrease in gross profit margin was mainly due to the extent of increase in product costs was more than that of the increase in product selling price in the 1H2025.

## **Reversal of impairment loss on trade receivables**

A reversal of impairment loss on trade receivables of approximately HK\$1.0 million was recognised during the Review Period (1H2024: approximately HK\$3.1 million) arising from improved credit control.

In respect of trade receivables, the Group has put in place a credit policy and will perform credit evaluations on all customers requiring credit over a certain amount. Certain trade receivable balances on open account terms are covered by customers' letters of credit or are factored to external financial institutions.

As at 31 December 2024, trade receivables past due over one year amounted to approximately HK\$68.7 million, of which approximately HK\$5.3 million (the “**Settled Sum**”) had been settled during the Review Period.

As at 30 June 2025, trade receivables past due over one year amounted to HK\$64.0 million (31 December 2024: HK\$68.7 million) and provision for impairment loss of HK\$63.9 million had been made (31 December 2024: HK\$63.2 million). Substantial part of which was brought forward from 31 December 2024. To the best knowledge of the Directors, the past due over one year as at 30 June 2025 was mainly attributable to the business deterioration of several customers as a result of COVID-19 pandemic. Up to the date of this announcement, no settlement has been made by these customers save for the Settled Sum.

The Group has been negotiating various repayment schedules with customers taking into account their respective circumstances. Contemporaneous to the negotiations and rescheduling, we have also sought legal advice from our Hong Kong legal advisor and PRC legal advisor on the procedures for taking legal actions against the relevant customers and/or their guarantors (if any).

For the customers who have been making partial repayments from time to time, we have not taken any legal action. The Group will pay close attention to their business development and continue monitoring their progress of repayment. If they cease to make any further repayment or if the amount of their further repayment is not to the Group's satisfaction, the Group shall take necessary legal actions.

The Group aims to maintain healthy business relationships with these customers while taking all reasonable steps to recover the trade receivables.

### **Distribution and selling expenses**

The distribution and selling expenses mainly include salaries of marketing and sales staff, commission and promotion fee, transportation fees, freight charges, declarations and sample expenses. For the Review Period, selling and distribution expenses amounted to approximately HK\$34.1 million (1H2024: HK\$30.6 million), mainly resulted from the increase in commission and promotion fee.

### **Administrative expenses**

Administrative expenses primarily comprise salaries and benefits (including emoluments to executive Directors), legal and professional fees, insurance, short-term lease expenses and other premises fees, foreign exchange differences, bank charges and depreciation expenses. The Group's administrative expenses decreased by approximately HK\$9.4 million to approximately HK\$34.4 million for the Review Period (1H2024: HK\$43.8 million). Such decrease was mainly due to strict cost control and exchange gain resulting from appreciation of RMB.

### **Finance costs**

The Group's finance costs mainly represented interest expenses on its bank borrowings, with such bank borrowings having been obtained by the Group for general working capital needs. During the Review Period, the Group reduced its finance costs to approximately HK\$19.9 million (1H2024: HK\$25.8 million), which was mainly due to improved efficiency in bank facilities utilisation and decrease in market interest rate.

### **Net profit for the Review Period**

Net profit for the Review Period amounted to approximately HK\$19.5 million, while net profit of approximately HK\$2.3 million was recorded for the Last Corresponding Period. The increase in net profit was mainly attributable to growth in gross profit resulting from the increase in sales quantity in 1H2025, decrease in finance costs and the adoption of effective costs control.

## **Net profit attributable to the owners of the Company**

The net profit attributable to the owners of the Company for the Review Period was approximately HK\$10.7 million, while net profit attributable to the owners of the Company of approximately HK\$2.8 million was recorded for the Last Corresponding Period.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the Review Period, the Group met its liquidity requirements principally through a combination of internal resources, loan from controlling shareholder and bank borrowings. The Group's cash resources as at 30 June 2025 were approximately HK\$120.2 million (31 December 2024: HK\$141.7 million) and were mainly denominated in RMB, Hong Kong dollars ("HK\$") and United States dollars ("US\$").

As at 30 June 2025, the Group's total outstanding bank borrowings amounted to approximately HK\$737.1 million (31 December 2024: HK\$629.6 million), which mainly comprised bank factoring loans, import loans, trust receipts loans and instalment loans. The Group's bank borrowings carried at amortised cost with a clause of repayment on demand are classified as current liabilities. The gearing ratio increased from 207.6% as at 31 December 2024 to 238.4% as at 30 June 2025, which was due to the higher utilisation of bank facilities driven by improved business in 1H2025. Gearing ratio is calculated based on total loans and borrowings divided by total equity at the respective reporting date.

The Group's financial statements are presented in HK\$. The Group carried out its business transactions mainly in HK\$, RMB and US\$. As the HK\$ remained pegged to the US\$, there was no material exchange risk in this respect. As the portion of RMB revenue is insignificant, there is also no material exchange risk in this respect. The Group currently does not have any interest rate hedging policies. However, the management will continue monitoring the Group's exposure to interest rate risk on an ongoing basis and will consider hedging such risk should the need arise. Credit risk was mainly hedged through credit policy and factored into external financial institutions.

## **Perpetual Subordinated Convertible Securities and Convertible Bonds**

On 21 October 2021, I-Sky Electronic Limited, a wholly-owned subsidiary of the Company (the “**Purchaser**”), the Company and Nicegoal Limited (the “**Vendor**”) entered into a sale and purchase agreement (as supplemented on 25 November 2021) (the “**Agreement**”), pursuant to which the Vendor has agreed to sell, and the Purchaser has conditionally agreed to purchase, a landed property (the “**Target Property**”) at the consideration of HK\$30.0 million, which was settled by the issue of perpetual subordinated convertible securities in the principal amount of HK\$10.0 million (the “**PSCS**”) and the CB. The Vendor is ultimately wholly-owned by Mr. Lee Bing Kwong, a controlling Shareholder, an executive Director, the chairman of the Board and the chief executive officer of the Company.

On 23 February 2022, the Company issued the CB and the PSCS to the Vendor for the acquisition of the Target Property pursuant to the terms of the Agreement as detailed in the circular of the Company dated 13 January 2022. The PSCS was issued without maturity date, it bears a distribution rate of 0.5% per annum and carries rights to convert the principal amount into shares of the Company (“**Share(s)**”) at a conversion price of HK\$0.35 per Share (to be rounded down to the nearest board lot of 5,000 Shares as per the deed poll constituting the PSCS), convertible into 28,570,000 conversion Shares, representing 2.66% of the issued Shares as at 30 June 2025 and at the date of this announcement or 2.59% as enlarged by the underlying conversion Shares of the PSCS. The Company has the option to redeem the PSCS in full at any time or 50% of the principal amount plus any accrued but unpaid distribution.

The CB was issued with a maturity of five years from date of issue (i.e. 23 February 2022), it bears an interest rate of 0.5% per annum and carries rights to convert the outstanding principal amount into Shares at a conversion price of HK\$0.35 per Share subject to adjustment (to be rounded down to the nearest board lot of 5,000 Shares as per the instrument constituting the CB), convertible into 57,140,000 conversion Shares, representing 5.31% of the issued Shares as at 30 June 2025 and the date of this announcement or 5.05% as enlarged by the underlying conversion Shares of the CB. The Company has the option to redeem the CB at any time before their maturity in whole or in part of their principal amount plus any accrued but unpaid interest.

The aggregate underlying conversion Shares of the CB and the PSCS represent 7.97% of the issued Shares as at 30 June 2025 and the date of this announcement or 7.38% as enlarged by the underlying conversion Shares.



## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

## **CHARGES ON ASSETS**

As at 30 June 2025, the banking facilities of the Group were secured by its trade receivables with an aggregate carrying amount of approximately HK\$438.2 million (31 December 2024: HK\$221.8 million), the legal charge over the investment property of the Group of approximately HK\$44.5 million (31 December 2024: HK\$46.4 million), the Group's leasehold land and buildings valued at approximately HK\$66.2 million (31 December 2024: HK\$67.8 million), the deposit placed for life insurance policy of the Group of approximately HK\$13.7 million (31 December 2024: HK\$13.5 million), bank deposit of the Group of approximately HK\$35.5 million (31 December 2024: HK\$39.8 million), a personal guarantee executed by Mr. Pai Yin Lin (a director and a non-controlling shareholder of certain subsidiaries of the Company) and corporate guarantees executed by the Company and certain of its subsidiaries.

## **DIVIDEND**

The Board has resolved not to declare any interim dividend for the Review Period (1H2024: nil).

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 June 2025, the Group had 133 employees (31 December 2024: 141) in Hong Kong and the PRC. The Group's remuneration policy is built on the principle of equitability with incentive-based, performance-oriented and market-competitive remuneration packages for its employees. Remuneration packages are normally reviewed on a regular basis. Other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses. In addition, the Company has adopted the share option scheme and the Restricted Share Award Scheme as incentives or rewards for eligible participants for their contribution to the Group, and the Company also provides continuous training to its employees to improve their marketing skills and enhance their product knowledge.

## SHARE SCHEMES

### Restricted Share Award Scheme

On 23 July 2021, the Company granted 9,550,000 restricted shares (the “**Restricted Shares**”) to nine selected participants (the “**Grantees**”) in accordance with the terms of the restricted share award scheme (“**Restricted Share Award Scheme**”) at nil consideration, and as a result, on 12 August 2021, the Company issued and allotted 9,550,000 Restricted Shares under the general mandate granted by the shareholders of the Company (the “**Shareholders**”) at the general meeting of the Company held on 26 May 2021 to the Custodian. These Restricted Shares are held on trust for the Grantees by the Custodian who shall transfer the Restricted Shares to the Grantees in three tranches subject to satisfaction of the vesting conditions as specified in the grant notice issued to each Grantee. To the best knowledge of the Directors, none of the Grantees is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or an associate (as defined in the Listing Rules) of any of them. The Custodian and its ultimate beneficial owner(s), and all of the Grantees are third parties independent of the Company and are not connected persons of the Company. During the Review Period, no Restricted Shares have been vested or granted. On 12 February 2025, the balance of 4,940,000 Restricted Shares awarded but unvested were lapsed because of the non-fulfillment of vesting condition before the relevant vesting dates. Accordingly, there were nil Restricted Shares remained unvested as at 30 June 2025 and the date of this announcement.

The Custodian held 21,105,000 Shares, representing 1.96% of the issued Shares as at 30 June 2025 and the date of this announcement.

The number of Shares that may be issued in respect of share awards granted under the Restricted Share Award Scheme divided by the weighted average number of Shares in issue during the Review Period was nil.

Subject to any early termination of the Restricted Share Award Scheme which may be determined by the Board, the Restricted Share Award Scheme is valid and effective for a term of 10 years commencing on 30 August 2019 (i.e. the adoption date of the Restricted Share Award Scheme). As at 30 June 2025, the remaining life of the Restricted Share Award Scheme was approximately 4 years and 2 months.

Details of the grant of the Restricted Shares are set out in the Company's announcement dated 23 July 2021.

Given that no scheme mandate has been granted by the Shareholders to the Directors for the Restricted Share Awards Scheme, no share awards involving new Shares are available for grant under the Restricted Share Awards Scheme. The aggregate number of shares underlying all grants made pursuant to the Restricted Share Award Scheme is 100,000,000 Shares, which represents approximately 9.3% of the issued share capital of the Company as at 30 June 2025 and the date of this announcement.

### **Share Option Scheme**

The Company adopted a share option scheme on 15 February 2018 ("**Share Option Scheme**"), which is valid for a period of 10 years from its adoption. No options have been granted under the Share Option Scheme since its adoption. Accordingly, no shares are required to be issued under the Share Option Scheme and the number of shares that may be issued in respect of share options granted under the Share Option Scheme divided by the weighted average number of shares in issue during 1H2025 was nil. As at 30 June 2025, the remaining life of the Share Option Scheme was approximately 2 years and 7.5 months.

## USE OF NET PROCEEDS FROM LISTING

The net proceeds received by the Company from the global offering of the Shares (the “**Global Offering**”) in March 2018 was approximately HK\$116.9 million. The applications of the net proceeds received under the Global Offering up to 30 June 2025 are as follows:

	Application of Net Proceeds as Stated in the Prospectus <i>HK\$'000</i>	Actual Use of Net Proceeds from Global Offering up to 30 June 2025 <i>HK\$'000</i>	Actual Use of Net Proceeds during the Period <i>HK\$'000</i>	Unused Net Proceeds <i>HK\$'000</i>	Unused Net Proceeds %	Expected timeframe of full utilisation of unused Net Proceeds
<b>Under the Global Offering</b>						
Repayment of bank loans	39,045	39,045*	–	–	–	–
Establishing a new product and development department	2,810	2,810*	–	–	–	–
Strengthening sales and marketing and technical support team by recruiting staff and providing trainings	10,750	10,750*	–	–	–	–
Enhancing warehouse and office in HK	4,600	3,511*	19	1,089	24	Q4 2025 (note 1)
Installing ERP and supporting software	7,090	6,653*	110	437	6	Q4 2025 (note 2)
Establishing new offices in the PRC	5,027	5,027*	–	–	–	–
Acquisition and establishment of Shenzhen head office	35,888	–	–	35,888	100	Q4 2025 (note 3)
Working capital for general corporate purpose	11,690	11,690*	–	–	–	–

\* *Such net proceeds had been used as intended.*

### Notes:

- Given the adverse impact of the COVID-19 pandemic and the global economic downturn, the Group took a more prudent approach to control and minimise its overall expenditures and the Board has resolved to further postpone the enhancement. The Board will from time to time reassess the appropriate timing for such enhancement and update the Shareholders.

2. Given the unfavourable industry condition, the Board considered that a more prudent approach should be taken and as a result, it was resolved by the Board that the software installation should be taken forward in a progressive manner.
3. In 2019, taking into consideration (i) the US trade war with China; (ii) the drop in global and domestic demands for consumer electronic products; (iii) the drop in the Group's sales revenue and gross profit; (iv) the unstable real estate market in Hong Kong and the PRC, the Group took a prudent approach to control and minimise its overall expenditures and postponed the acquisition and establishment of Shenzhen head office. Thereafter, due to the COVID-19 pandemic and the unfavourable property market, the Board considered that it is more appropriate to further postpone such acquisition. The Board will from time to time reassess the appropriate timing for such enhancement and update the Shareholders.

The Company will continue to utilise the net proceeds from the Global Offering for the purposes as mentioned above.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

The Group did not have any material acquisitions and disposal of subsidiaries, associates and joint ventures during the Review Period.

## **SIGNIFICANT INVESTMENTS HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group did not have any significant investments held as at 30 June 2025 and did not have any future plans for material investments or capital assets as of the date of this announcement.

## **SUBSEQUENT EVENT**

The Board is not aware of any significant event affecting the Group and requiring disclosure that has taken place subsequent to 30 June 2025 and up to the date of this announcement.

## PROSPECTS

In the second half of 2025, driven by technological innovation, evolving demand, and geopolitical restructuring, the global semiconductor market is expected to maintain its growth momentum. Continued strong demand in areas such as artificial intelligence, cloud infrastructure, and advanced consumer electronics will support robust growth in the logic chips and memory chips sectors. Meanwhile, segmented sectors such as sensors and analog chips are also set to make positive contributions. According to the latest forecast by WSTS, the total value of the global semiconductor market is projected to reach USD760.7 billion by 2026, representing an 8.5% increase compared to 2025.

In terms of new energy market, against the backdrop of carbon neutrality, the global new energy industry has maintained steady and rapid growth. According to data from the China Association of Automobile Manufacturers, in the first half of 2025, the production and sales of new energy vehicles reached 6.968 million and 6.937 million units respectively, representing year-on-year increases of 41.4% and 40.3%. New energy vehicle sales accounted for 44.3% of total new car sales. With the continuous rise in new energy vehicle penetration and the rapid advancement of autonomous driving technologies, demand for power semiconductors, sensor chips, and related components has surged significantly.

Moreover, the domestic substitution in China's semiconductor industry is accelerating, particularly amid escalating U.S. technology restrictions. Achieving self-sufficiency has become a critical component of national strategy. Domestic enterprises are expediting efforts to reduce reliance on U.S. technologies in semiconductor equipment and components, creating broader development opportunities for local semiconductor companies. In terms of technology, domestic substitution is evolving from isolated breakthroughs to full value chain integration, with localisation rates expected to steadily increase across all segments of the industry chain.

In summary, supported by favourable policies, growing demand, and the accelerating pace of semiconductor localisation, the Group is embracing significant development opportunities. In the first half of 2025, the Group continued to advance its diversified business layout, further strengthening core competitiveness through optimised customer structure and deepened engagement in key industry verticals, achieving breakthrough progress across multiple sectors. In terms of industrial manufacturing, the Group reinforced its collaboration with leading domestic and international high-end manufacturers, aiming to deeply integrate industrial-grade chip solutions into intelligent production lines. In response to the rapid expansion of the AI large model industry, the Group actively deployed targeted initiatives, developing customised products and solutions to meet critical demands in computing power, storage, and energy. Additionally, the Group is accelerating its strategic deployment in emerging sectors such as AI computing, intelligent manufacturing, and new energy storage, with the aim of building diversified growth drivers and laying a solid foundation for sustained performance growth.

Looking ahead to the second half of 2025, the Group is expected to see continued growth in customer orders, driven by surging demand for AI applications, accelerated downstream demand, and the rapid progress of domestic substitution. This will provide strong support for the sales of the Group's core businesses. The Group will further deepen cooperation with leading industry clients by building a more resilient supply chain system and implementing refined delivery management mechanisms, thereby laying a solid foundation for business expansion. Meanwhile, the acceleration of new infrastructure development, upgrades in intelligent manufacturing, and the transition to green energy will bring new development opportunities and inject sustainable momentum into the Group's growth.

As a high-potential growth sector, the AI industry is having a significant and positive impact on the Group's strategic development. In the second half of 2025, the Group will continue to strengthen its presence in the three key areas of the AI industry chain, namely computing power, storage and new energy, as part of its effort to seize market opportunities. In the field of computing power, the Group will further optimise its high-performance computing solutions to provide more efficient support for AI training and inference, addressing the growing demand for AI computing capacity. In the field of storage, the Group will intensify R&D and expand the supply of data storage products to meet the AI industry's stringent requirements for big data storage. In the field of new energy, the Group will focus on the AI industry's high energy consumption challenge by offering efficient energy management solutions to enhance system energy efficiency. With AI technologies being widely adopted across various industries, the Group expects to attract a growing number of AI-related clients, leading to a significant increase in AI-related revenue.

Despite continued uncertainty in the international trade environment in the second half of 2025, which is shaped by risks such as U.S. tariff policies and interest rate fluctuations, the Group is well prepared. The Group will closely monitor the cost pressures and exchange rate risks arising from changes in global trade conditions and will enhance its risk resilience by improving supply chain flexibility and increasing the proportion of localised procurement. As the U.S. dollar enters a rate cut cycle, the Group's profitability outlook is expected to improve further. Meanwhile, the cost control and workforce optimisation measures previously implemented by the Group will continue to deliver results in the second half of the year, further boosting profit margins. In addition, with the accelerated pace of domestic substitution, the Group remains optimistic about strong demand in the domestic market, which is expected to drive further growth in domestic sales. This will help offset potential volatility in overseas markets and generate greater value for shareholders.

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

The Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Review Period.

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

The Company is dedicated to adopting, maintaining and ensuring high standards of corporate governance practices and principles in the best interest of the Group and the Shareholders. The Company has adopted the applicable code provisions and, where appropriate, adopted certain recommended best practices as set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules ("**CG Code**"). Save as disclosed below, the Board considered that the Company had complied with all applicable code provisions set out in the CG Code during the Review Period.



Under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Mr. Lee Bing Kwong (“**Mr. Lee**”), who has considerable experience in the semiconductor and other electronic components industry, is the chairman of the Board (the “**Chairman**”) and the chief executive officer of the Company (the “**CEO**”). The Board believes that vesting the roles of both the Chairman and the CEO in Mr. Lee has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that this structure will not impair the balance of power between the Board and the management of the Company. The balance of power is further enhanced by the Audit Committee, which comprises all independent non-executive Directors and is responsible for overseeing the internal control procedures of our Group. The independent non-executive Directors have free and direct access to the Company’s independent auditor and independent professional advisers when considered necessary. The Board will, nevertheless, review the structure from time to time and separate the roles of the Chairman and the CEO to two individuals, if appropriate.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code for dealing in securities of the Company by the Directors. A specific enquiry was made by the Company with each of the Directors and all the Directors confirmed that they had complied with the requirements set out in the Model Code throughout the Review Period.

## **REVIEW OF THE INTERIM RESULTS**

The Audit Committee has reviewed and confirmed the accounting principles and practices adopted by the Group, and the Group’s unaudited financial results for the Review Period and discussed the auditing, internal control, risk management systems and financial reporting matters of the Group.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Yim Kwok Man (chairman), Mr. Cheung Siu Kui and Dr. Chow Terence. None of them is employed by or otherwise affiliated with the former or current independent auditor of the Company.

In addition, the Interim Financial Statements are unaudited but Graham H.Y. Chan & Co., the independent auditor of the Company, for whom has reviewed them 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 HKICPA.

## **UPDATE ON DIRECTOR’S BIOGRAPHIES**

Mr. Yim Kwok Man, an independent non-executive Director, retired as the independent non-executive director of Tsui Wah Holdings Limited (stock code:1314), a company listed on the main board of the Stock Exchange on 13 August 2025.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **PUBLICATION OF THE INTERIM REPORT**

The interim report of the Company for the Review Period containing all the information required by Appendix D2 (formerly Appendix 16) to the Listing Rules will be published on the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.apexace.com>) in the manner as required by the Listing Rules and will be despatched to the Shareholders around the end of September 2025.

On behalf of the Board  
**Apex Ace Holding Limited**  
**Lee Bing Kwong**

*Executive Director, Chairman and Chief Executive Officer*

Hong Kong, 29 August 2025

*As at the date of this announcement, the executive Directors are Mr. Lee Bing Kwong (Chairman and Chief Executive Officer) and Ms. Lo Yuen Lai; non-executive Director is Mr. Lo Yuen Kin; and the independent non-executive Directors are Mr. Cheung Siu Kui, Mr. Yim Kwok Man, Dr. Chow Terence and Mr. Cheung Hung Kwong.*