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SEM Holdings Limited
澳達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9929)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the "**Board**") of directors (the "**Directors**") of SEM Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025 (the "**Year 2025**") together with comparative figures for the year ended 31 December 2024 (the "**Year 2024**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	**2025** ***HK$'000***	2024 *HK$'000*
Revenue	*3*	**66,258**	91,707
Cost of sales		**(62,522)**	(68,186)
Gross profit		**3,736**	23,521
Other income	*5a*	**1,496**	1,776
Other losses	*5b*	**(900)**	–
Reversal of impairment losses under expected credit loss ("**ECL**") model, net of reversal		**7,885**	2,081
Administrative expenses		**(30,593)**	(23,348)
Finance costs	*6*	**(192)**	(249)
(Loss)/profit before tax	*7*	**(18,568)**	3,781
Income tax (charge)/credit	*8*	**(288)**	21

	Notes	**2025**	2024
		HK$'000	*HK$'000*
(Loss)/profit and total comprehensive (expense)/income for the year attributable to owners of the Company		**(18,856)**	3,802
Other comprehensive expense for the year:			
Item that will not be reclassified to profit or loss:			
Loss on revaluation of investment property from reclassification		**(794)**	–
		(794)	–
Total comprehensive (expense)/income for the year attributable to owner of the Company		**(19,650)**	3,802
(Loss)/earnings per share *(HK$ cents)*			
Basic	*10*	**(0.94)**	0.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	2025 HK$'000	2024 HK$'000
Non-current assets			
Property, plant and equipment		**18,305**	29,598
Investment property		**9,000**	–
Rental deposit		**–**	11
		27,305	29,609
Current assets			
Trade and other receivables	*11*	**45,499**	63,608
Contract assets	*12*	**89,642**	92,257
Pledged bank deposits		**1,330**	–
Time deposit		**–**	16,000
Cash and cash equivalents		**62,585**	56,126
		199,056	227,991
Current liabilities			
Trade and other payables	*13*	**25,961**	28,842
Contract liabilities		**5,238**	8,204
Lease liabilities		**711**	430
Tax payable		**510**	1,469
Bank borrowing	*14*	**–**	781
		32,420	39,726
Net current assets		**166,636**	188,265
Total assets less current liabilities		**193,941**	217,874
Non-current liabilities			
Deferred tax liability		**332**	44
Lease liabilities		**310**	308
Other payables		**5**	5
Bank borrowing	*14*	**–**	4,573
		647	4,930
		193,294	212,944
Capital and reserves			
Share capital	*15*	**20,000**	20,000
Reserves		**173,294**	192,944
		193,294	212,944

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

SEM Holdings Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law Chapter 22 of the Cayman Islands on 6 November 2015 and its shares were listed on The Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 14 February 2020 (the "**Listing**"). The addresses of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the annual report. The immediate holding company of the Company is SEM Enterprises Limited, which is a private company incorporated in the British Virgin Islands (the "**BVI**") and controlled by Mr. Wan Man Keung, an executive director of the Company.

The Company acts as an investment holding company and its subsidiaries are principally engaged in provision of electrical and mechanical engineering services and trading of electrical cables in Macau and Hong Kong.

The consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), whereas the functional currency of the Company is Macau Pataca ("**MOP**").

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. REVENUE

	2025	2024
	HK$'000	*HK$'000*
Provision of electrical and mechanical engineering services recognised over time	**33,533**	91,707
Trading of electrical cables recognised at point in time	**32,725**	–
	66,258	91,707

Revenue represents the fair value of amounts received and receivable from trading of electrical cables and the provision of electrical and mechanical engineering services by the Group to external customers. For cable trading, revenue is recognised at a point in time when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. For the provision of electrical and mechanical engineering services, revenue is recognised over time as the Group's contract work enhances an asset that the external customer control as the Group performed. The Group's revenue is derived from cable trading and provision of electrical and mechanical engineering services in Macau and Hong Kong during the reporting period.

The customer of the Group are mainly main contractors and subcontractors in Macau and Hong Kong. Contracts with the Group's customers are mainly fixed-price contracts, except for the variation order.

Disaggregation of revenue

	2025	2024
	HK$'000	*HK$'000*
Provision of electrical and mechanical engineering services		
Hotels and casinos	**8,267**	15,827
Residential properties	**14,858**	7,616
Commercial properties	**729**	4,375
Public properties	**9,679**	63,889
	33,533	91,707
Trading of electrical cables	**32,725**	–

4. SEGMENT INFORMATION

The directors of the Company, being the chief operating decision makers, regularly review the internal management reports. The directors of the Company considered that the operating activities of trading of electrical cables and the provision of electrical and mechanical engineering services as a single operating segment and has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRS Accounting Standards and is regularly reviewed by the directors of the Company. The directors of the Company review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, no operating segment information is presented.

Geographical information

The Group's operations are located in Macau and Hong Kong.

The Group's revenue from external customers and information about its non-current assets by geographical location of the customers and the assets, respectively, are detailed below:

	Revenue from external customers Year ended 31 December		Non-current assets At 31 December	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Macau	**13,096**	31,380	**25,363**	28,107
Hong Kong	**53,162**	60,327	**1,942**	1,502
	66,258	91,707	**27,305**	29,609

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the year are as follows:

	2025	2024
	HK$'000	*HK$'000*
Customer A – Trade of electrical cables	**23,177**	–
Customer B – Electrical and mechanical engineering services	**9,617**	55,890
Customer C – Electrical and mechanical engineering services	**8,519**	–

5a. OTHER INCOME

	2025	2024
	HK$'000	*HK$'000*
Interest income	**913**	1,342
Government grants *(Note)*	**227**	20
Gain on disposal of scrap material	**–**	299
Rental income	**58**	–
Others	**298**	115
	1,496	1,776

Note: There are no unfulfilled conditions or other contingencies attaching to these grants.

5b. OTHER LOSSES

	2025	2024
	HK$'000	*HK$'000*
Impairment losses on property, plant and equipment	**750**	–
Fair value loss of investment property	**150**	–
	900	–

6. FINANCE COSTS

	2025	2024
	HK$'000	*HK$'000*
Interest on bank borrowing	**145**	201
Interest on lease liabilities	**47**	48
	192	249

7. (LOSS)/PROFIT BEFORE TAX

	2025 *HK$'000*	2024 *HK$'000*
(Loss)/profit before tax has been arrived at after charging:		
Directors' remuneration	**9,094**	3,071
Other staff costs		
– salaries and other allowance	**16,216**	21,884
– retirement benefit scheme contributions	**396**	585
Total staff costs	**25,706**	25,540
Less: staff costs included in cost of sales	**(9,395)**	(8,997)
	16,311	16,543
Auditors' remuneration	**760**	760
Depreciation of property, plant and equipment	**2,285**	2,616

8. INCOME TAX CHARGE/(CREDIT)

	2025 *HK$'000*	2024 *HK$'000*
Macau Complementary Tax		
Overprovision in prior years	**–**	(259)
Current Tax	**–**	261
Hong Kong Profits Tax		
Current Tax	**–**	–
Deferred Tax	**288**	(23)
	288	(21)

Macau Complementary Tax is calculated at 12% (2024: 12%) of the estimated assessable profits exceeding MOP600,000 for the year.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of assessable profits of the qualifying group entity will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. The assessable 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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

10. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the following data:

	2025	2024
	HK$'000	*HK$'000*
(Loss)/profit		
(Loss)/profit for the year attributable to owners of the Company	**(18,856)**	3,802

	2025	2024
	Number of shares	Number of shares
	'000	*'000*
Number of shares		
Number of ordinary shares	**2,000,000**	2,000,000

No diluted (loss)/earnings per share for both years are presented as there are no potential ordinary shares in issue for both years.

11. TRADE RECEIVABLES

At 31 December 2025, trade receivables amounted to HK$44,341,000, net of loss allowance of HK$3,646,000 (2024: HK$62,400,000, net of loss allowance of HK$8,824,000).

The Group usually allows a credit period of 30 to 60 days to its customers. The following is an aging analysis of trade receivables net of allowance for credit losses based on the invoice dates at the end of the reporting period are as follows:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**22,524**	48,127
31 to 60 days	**1,360**	2,533
61 to 90 days	**1,198**	117
Over 90 days	**19,259**	11,623
	44,341	62,400

12. CONTRACT ASSETS

	2025	2024
	HK$'000	*HK$'000*
Contract assets from provision of electrical and mechanical engineering services		
– Unbilled revenue	**85,807**	73,576
– Retention money	**18,861**	36,414
	104,668	109,990
Less: Allowance for credit losses	**(15,026)**	(17,733)
	89,642	92,257

The Group's construction contracts include payment schedules which require stage payments over the construction period with reference to surveys of work performed to date. The Group typically transfers the contract assets to trade receivables when the rights become unconditional.

The Group also typically agrees to a defect liability period of 1 to 2 years from the date of the practical completion of the construction for 5% to 10% of the contract sum. This amount of retention money is included in contract assets until the end of the defect liability period as the Group's entitlement to this final payment is conditional on completion of defect liability period. The defect liability period serves as an assurance that the construction services performed comply with agreed-upon specifications and such assurance cannot be purchased separately. The Group classifies these contract assets as current because the Group expects to realise them in its normal operating cycle.

Retention money is unsecured, interest-free and recoverable at the end of the defect liability period of 1 to 2 years from the date of the completion of respective projects.

13. TRADE PAYABLES

The credit period of trade payables is ranging from 30 to 90 days. The following is an aging analysis of the trade payables based on the invoice date at the end of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Within 30 days	**3,351**	267
31 to 60 days	**–**	247
61 to 90 days	**–**	179
Over 90 days	**3,945**	6,064
	7,296	6,757

At 31 December 2025, the Group's trade payables comprised of an amount due to two related companies, Ready Electrical Metal Work Limited amounted to approximately HK$274,000 (2024: HK$1,860,000) and Ready System Engineering Limited amounted to approximately HK$2,295,000 (2024: nil). Mr. Wan Man Keung, an executive director of the Company, is the executive director and controlling shareholder of the related companies.

14. BANK BORROWING

The loan carried interest at variable market rate of Prime Rate less 2.55% per annum and was repayable in instalments over 10 years from the date of drawdown in 2021. The proceed was used to finance the acquisition of owned property included in the property, plant and equipment, which was pledged to the bank to secure the bank loan. As at 31 December 2025, the secured bank borrowing has been fully settled. No further bank borrowing was drawn during the year.

15. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	**5,000,000,000**	**50,000**
Issued and fully paid:		
At 1 January 2024, 31 December 2024 and 31 December 2025	**2,000,000,000**	**20,000**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND MARKET PROSPECT

Ready System (Macau) was founded in 2006. We are a renowned and well-established E&M engineering works contractor in Macau with our focus on providing electrical-related E&M engineering works. The scope of our E&M engineering works mainly consisted of supply, installation and maintenance of electrical system, for new and existing buildings in the projects of commercial and residential property development, public property development, hotel and casino development and renovation in Macau. The Group has diversified its market risks and uncertainties by continuing to engage projects with scope of our E&M engineering works in Hong Kong segment through its wholly owned subsidiary, SEM Resources Limited ("**SEM Resources**").

The HKSAR Government's continued commitment to construction, housing and infrastructure is expected to support steady underlying demand for E&M engineering works in Hong Kong over the medium term, notwithstanding a still-challenging market environment. In 2025, in response to the rapidly increasing demand for electric vehicles ("**EV**") charging facilities, the Group will place greater strategic emphasis on EV charging-related E&M works, with a view to strengthening our service offering and positioning the Group for sustainable growth in this emerging segment. Leveraging our established capabilities in the supply, installation and maintenance of electrical systems, we aim to deliver reliable, compliant and high-quality EV charging solutions to customers across our target markets. Alongside this, our electrical cable trading business will continue to complement our core contracting operations by broadening our revenue mix and supporting project delivery needs where appropriate. Looking ahead, we will maintain a disciplined approach in assessing tender opportunities and project selection, while continuing to strengthen supplier collaboration and customer service to meet evolving market needs and manage execution risks effectively.

During the Year 2025, the Group recorded total revenue of approximately HK$66.3 million, which decreased by approximately HK$25.4 million or 38.4% from approximately HK$91.7 million for the Year 2024. The decrease was mainly attributable to the decrease in revenue from Hong Kong segment as the existing projects are at their completion stage. Also, the Group faced operational challenges, including the decline of construction activities in Hong Kong in the Year 2025, which contributed to the revenue decline.

The Group remains committed to its strategy of securing new E&M engineering service projects in Macau and Hong Kong. We continue to seek opportunities in Hong Kong's existing buildings, where upgrades to meet modern standards are frequently required, as demonstrated by our successful electrical and EV charging system renovation project at housing estates to support the rising demand for electric vehicle usage.

Recognising the evolving economic landscape in Macau and Hong Kong, the Group has continued to prioritise optimisation of operational efficiency and disciplined cost control. Building on the restructuring of our project management team and the digitisation of workflows initiated in 2023, we have further enhanced resource allocation, strengthened internal controls and reduced workforce-related costs, resulting in a leaner and more resilient operating platform. These initiatives have improved our financial flexibility and sharpened our execution capability, positioning us to capture opportunities arising from increasing demand for E&M engineering services driven by ongoing public and private sector construction.

Our streamlined operations, coupled with a highly skilled and experienced team, enable us to provide high-quality project management, supervision and E&M engineering solutions that meet stringent safety, environmental and performance requirements. At the same time, we continue to explore energy-efficient and low-carbon E&M solutions in response to growing market demand for green building and sustainability, thereby driving sustainable growth and long-term value creation for our stakeholders.

Looking ahead, management remains cautiously optimistic about the E&M markets in Macau and Hong Kong. Robust medium-term demand, supported by smart city initiatives, and the rapid expansion of EV charging infrastructure, is expected to drive E&M engineering services, though the Group stays vigilant against macroeconomic, labour cost, and competitive pressures.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by 38.5% from approximately HK$91.7 million for the Year 2024 to approximately HK$66.3 million for the Year 2025. Such decrease was mainly due to a combination of factors as disclosed in "BUSINESS REVIEW AND MARKET PROSPECT" above.

	2025		2024	
	HK$ million	***%***	*HK$ million*	*%*
Hotels and Casinos	**8.3**	**12.5%**	15.8	17.3%
Residential properties	**14.9**	**22.5%**	7.6	8.3%
Commercial properties	**0.7**	**1.1%**	4.4	4.7%
Public properties	**9.7**	**14.6%**	63.9	69.7%
	33.6		91.7	
Trading of electrical cables	**32.7**	**49.3%**	–	–
	66.3		91.7	

Cost of sales

The Group's cost of sales amounted to approximately HK$62.5 million for the Year 2025, representing a decrease of 9.1% from approximately HK$68.2 million for the Year 2024. Cost of sales mainly comprised of material costs and staff costs, which accounted for approximately 78.8% and 18.8% respectively of the Group's total cost of sales for the Year 2025 (2024: 13.3% and 55.2% respectively). The decrease in cost of sales for the Year 2025 was mainly due to decrease in revenue for the Year 2025.

Gross Profit/Gross Profit Margin

The Group overall gross profit for the provision of E&M engineering works and trading of electrical cable decreased to approximately HK$3.7 million for the Year 2025 from approximately HK$23.5 million for the Year 2024. The gross profit margin decreased from approximately 25.6% for the Year 2024 to approximately 5.6% for the Year 2025.

The decrease in gross profit margin was mainly attributable to lower profit margin of the cable trading business.

Despite the decrease in gross profit margin of the Group in the Year 2025, the Directors consider that the gross profit margin is still affected by market and economic environment. Hence, the Group is striving for bidding potential projects with higher margin and implementing cost saving strategy to maintain higher gross profit margin of the Group.

Other income

Other income mainly included interest income from banks, disposal of scrap materials and sundry income. For the Year 2025, the Group's other income amounted to approximately HK$1.5 million (Year 2024: approximately HK$1.8 million). Such decrease was mainly attributable to the reduction of bank interest income and the gain on disposal of scrap materials.

Other losses

The Group's other losses amounted to approximately HK$0.9 million in Year 2025 (Year 2024: Nil). The losses were attributable to the impairment of property, plant and equipment and the fair value loss of investment property.

Reversal of under expected credit loss ("ECL") model, net of reversal

At 31 December 2025, the Group has recognised cumulative credit loss allowance on contract assets and trade receivables of approximately HK$15.0 million and HK$3.6 million (31 December 2024: approximately HK$17.7 million and HK$8.8 million).

Impairment losses under ECL model derived from trade receivables and contract assets of the Group. The change in reversal of impairment loss under ECL model from HK$2.1 million in the Year 2024 to reversal of impairment loss of approximately HK$7.9 million in the Year 2025 was mainly due to overall decrease in credit risks on certain project customers and taken into accounts for the following factors including (i) continuing settlements of completed works for billing to the Project in the Year 2025; and (ii) decrease in gross balances of the Group's contract assets at 31 December 2025.

ECL has been provided on these balances in accordance with the requirements set out in Hong Kong Financial Reporting Standard 9.

Administrative expenses

The Group's administrative expenses increased from approximately HK$23.3 million for the Year 2024 to approximately HK$30.6 million for the Year 2025. Such increase was mainly due to increase of professional fees.

Income tax expenses/(credit)

The change in the Group's income tax expenses from income tax credit of approximately HK$21.0 thousand for the Year 2024 to income tax expenses of approximately HK$0.3 million for the Year 2025 was attributed by increase in the provision of deferred tax.

Net Loss/(Profit)

The Group reported net loss for the Year 2025 of approximately HK$18.7 million, as compared with net profit of approximately HK$3.8 million for the Year 2024.

Final Dividend

The Board did not recommend the payment of a final dividend for the Year 2025 (Year 2024: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has financed its operations primarily through cash inflows from operating activities, as well as proceeds received from the Listing. As at 31 December 2025, the Group had cash and cash equivalents of approximately HK$62.6 million (31 December 2024: approximately HK$56.1 million) and remains steady in its financial position in meeting its future financial obligations.

As at 31 December 2025, the working capital (current assets less current liabilities) and total equity attributable to owners of the Group were approximately HK$166.6 million (31 December 2024: approximately HK$188.3 million) and approximately HK$193.3 million (31 December 2024: approximately HK$213.0 million), respectively.

Gearing ratio (total debt including amounts due to Directors/total equity) as at 31 December 2025 was approximately 17.1% (31 December 2024: approximately 21.0%). The gearing ratio decreased comparing to the year ended 31 December 2024.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

CURRENCY RISK

The Group has minimal exposure to foreign currency risk as most of its business transactions and assets and liabilities are principally denominated in MOP or HK$ of the relevant group entities and the exchange rate between the functional currencies and HK$ is relatively stable. As such, the Group currently does not have any foreign currency hedging policy in respect of foreign currency transactions and assets and liabilities as the Group's risk in foreign exchange is insignificant. However, the Group will continue to monitor closely its exposure to currency movement and take proactive measures.

INTEREST RATE RISK

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest-bearing bank balances and a bank borrowing. The interest rates of these bank deposits are determined by reference to the respective bank offer rate and interest rate on the bank borrowing is based on the contracted interest rate at prime rate less 2.55% per annum. The Group currently does not have any interest rate hedging policy. However, the management of the Group will consider hedging significant interest rate risk should the need arise.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's business operations are conducted in Macau and Hong Kong providing the electrical-related E&M engineering works and our engagements with customers were on a project basis and non-recurring in nature that we did not enter into any long-term agreement or master service agreement with them. We have to undergo the competitive bidding process for every new project. In the event that we are unable to attract new customers or secure new projects from our existing customers, there may be a significant decrease in our revenue. Our operations and financial results would hence be adversely affected.

The Group's liquidity position may be adversely affected if the progress payment or the retention money is not paid or released to the Group on time or in full; or if construction project cash flows fluctuate. To monitor the pressure of financial liquidity, the Group reviews aging analysis on regular basis and closely communicates with management of the customers so as to get a better understanding of their solvency status.

Other principal risks include fluctuations in estimated project costs versus the actual project costs incurred due to unexpected circumstances and imported labour quota allocated to our projects, both of which would adversely affect the Group's operations and financial performance. A key risk in the Group's cable trading business is reliance on key suppliers. Any disruption, such as termination of supply, price volatility, or shortages, could halt trading operations, delay projects, and squeeze margins, materially impacting revenue and profitability.

The Group is also exposed to certain market risks such as currency risk, interest rate risk, credit risk, liquidity risk, etc.

The Group believes that risk management is the responsibility of everyone within the Group and has implemented a risk management system to mitigate the risks in daily operations. Risk management is led by the Directors at the top, who take both macro and micro economic conditions into account before making business decisions, and also aims to develop risk awareness and control responsibility as the Group's culture and the foundation of the Group's internal controls system.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS

Save as disclosed in this announcement, the Group did not have any significant investments, nor material acquisitions or disposals of subsidiaries, associated companies for the Year 2025.

PLEDGE OF ASSETS

As at 31 December 2024, a property in Macau with carrying amount of approximately HK$15.1 million (31 December 2025: nil) was pledged to a bank located in Macau for obtaining a mortgage loan to finance the relevant acquisition.

Pledged bank deposits as at 31 December 2025 are pledged to secure the performance bonds granted to the Group (2024: Nil). The Group had no other material pledge of assets as at 31 December 2024 and 31 December 2025.

FUTURE PLAN FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save as disclosed above and in the Prospectus, the Group does not have other plans for material investments and capital assets as at 31 December 2025 and up to the date of this announcement.

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 31 December 2025 (2024: Nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).

PROSPECTS AND STRATEGIES

The Group's principal business objective is to further strengthen its position as an integrated construction contractor.

While the Group's principal business objective remains to strengthen its position as an integrated construction contractor, we acknowledge the current challenges within the construction sector. To navigate these challenges and enhance long-term stability, we are actively pursuing diversification strategies, with a particular focus on expanding our presence in the electrical cable trading market.

Regarding E&M engineering services, in light of the rapidly growing demand for EV charging infrastructure, the Group will strategically focus its E&M expertise on this high-growth sector. This pivot is designed to position the Company for sustained future growth and solidify its status as a trusted and leading provider of EV charging solutions. The EV charging solution business will be delivered through a streamlined model encompassing hardware provision and expert installation, drawing directly on the deep E&M engineering heritage of the Group.

The business outlook for the year ahead remains cautiously optimistic. We believe that our diversification strategy, together with our low gearing and solid liquidity position, provides the Group with the resilience and flexibility to navigate an uncertain environment, undertake selective new projects and invest prudently in future growth areas. In particular, the Hong Kong SAR Government's ongoing infrastructure and related development plans are expected to continue to present opportunities for E&M engineering works, which the Group will pursue on a disciplined and selective basis with an emphasis on project quality, risk profile and cashflow visibility.

In parallel, we are placing stronger strategic focus on EV charging-related E&M works in view of the rapidly increasing demand for EV charging facilities. We will continue to strengthen our technical capabilities and delivery readiness in this segment, with the aim of reinforcing our position as a trusted provider of EV charging solutions and capturing opportunities arising from the evolving needs of property owners and infrastructure operators. While we continue to develop the electrical cable trading business as a complementary revenue stream, we will maintain prudent credit control and working capital discipline to support sustainable growth.

Consistently, the Group prioritises sound fundamentals in building resilience and addressing market volatility. We implement best practices, proactively manage risks, and respond to logistical constraints and material price fluctuations through disciplined procurement and project management. In preparation for future development, we will continue to enhance organisational effectiveness and governance, strengthen leadership and accountability, and refine operating procedures to support business development in emerging technologies and market segments. Our commitment remains to meet customers' expectations through the delivery of high-quality, timely and cost-efficient services and products.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere, there have been no other material events occurring after the Year 2025 and up to the date of this announcement.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the Year 2025, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has material impact on the business and operation of the Group.

EMPLOYEES AND REMUNERATION POLICY

The Group had 24 full-time employees including non-executive directors and executive directors as at 31 December 2025 (31 December 2024: 50), among which 6 and 18 (31 December 2024: 18 and 32) were stationed in Macau and Hong Kong, respectively. The total staff costs (including fees, salaries and other allowance, and retirement benefit scheme contributions) for the Year 2025 were approximately HK$21.5 million (Year 2024: approximately HK$25.5 million). The remuneration policy and package of the Group's employees were periodically reviewed by management of the Company. Apart from retirement benefit scheme contributions and salaries increment, discretionary bonuses may be awarded to employees according to the assessment of individual and the Group's performance. The remuneration policy in place as at 31 December 2025 was in line with the current legislation in the relevant jurisdictions, market conditions and performance of the staff and the Group.

SHARE OPTION SCHEME

On 22 January 2020, the Company conditionally adopted the share option scheme (the "**Share Option Scheme**") as incentive or reward for contributions that the eligible participants have made or may make to the Group. The principal terms of the Share Option Scheme are summarised in the paragraph headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to the Prospectus.

There were no share options outstanding under the Share Option Scheme nor were any share options granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption date and up to the date of this announcement.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year 2025 and up to the date of this announcement.

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 rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as a code of conduct of the Company regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code for the Year 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed in achieving a high standard of corporate governance standard. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of shareholders of the Company (the "**Shareholders**"), enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles, the mandatory disclosure requirements and the applicable code provisions as set out in the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code ("**CG Code**") contained in Appendix C1 to the Listing Rules. To the best of the knowledge of the Board, except the deviation from code provision C.2.1 of the CG Code, the Company has complied with the CG Code during the Year 2025. The Directors will periodically review the Company's corporate governance policies and will propose any amendments, if necessary, to ensure compliance with the code provisions from time to time.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the resignation of Mr. Woo Chu Fai as chief executive officer on 26 January 2024, Mr. Wan Man Keung, the chairman of the Board, temporarily took up the function of chief executive officer. This arrangement continued throughout the year ended 31 December 2025 and up to 31 January 2026, resulting in a deviation from code provision C.2.1 of the CG Code. The Board believes that this measure is interim in nature. Therefore, the Board considers that the deviation from code provision C.2.1 of the CG Code is appropriate in this circumstance. In addition, under the supervision of the Board which, during the year ended 31 December 2025, comprises at least two executive Directors, one non-executive Director and three independent non-executive Directors, the Board is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders as a whole.

With effect from 1 February 2026, Mr. Wan Man Keung resigned as the chairman of the Board and Mr. Yao Shuobin has been appointed as the chairman of the Board. Accordingly, the roles of chairman and chief executive officer are no longer performed by the same individual and the deviation from code provision C.2.1 of the CG Code is therefore resolved. To the best of the knowledge of the Board, the Company has complied with the CG Code up to the date of this announcement.

REVIEW BY AUDIT COMMITTEE

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and has discussed auditing, internal control and financial reporting matters, which include the review of the audited consolidated financial statements of the Group for the Year 2025.

SCOPE OF WORK OF RONGCHENG (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year 2025 as set out in the preliminary results announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year 2025. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Rongcheng (Hong Kong) CPA Limited on the preliminary results announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND DESPATCH OF ANNUAL REPORT

The annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (semhld.com). The annual report will also be available at the above websites and will be despatched to the Shareholders in due course.

By order of the Board
SEM Holdings Limited
Yao Shuobin
Chairman and non-executive Director

Hong Kong, 24 March 2026

As of the date of this announcement, the Board of Directors of the Company comprises Mr. Wan Man Keung as executive Director; Mr. Yao Shuobin as non-executive Director; and Dr. Huang Mingxin, Dr. Zang Yunzhi and Ms. Chen Tak Yee Dickdy as independent non-executive Directors.