SEM Holdings Limited
澳達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9929)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "Board") of directors (the "Directors") of SEM Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2026 (the "Period 2026") together with comparative figures for the corresponding six months ended 30 June 2025 (the "Period 2025"), as follows:

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

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**38,780**	21,545
Cost of sales		**(35,887)**	(17,761)
Gross profit		**2,893**	3,784
Other income	*5*	**73**	868
(Impairment losses) reversals of impairment losses under expected credit loss ("ECL") model, net		**(34,360)**	6,528
Impairment loss on property, plant and equipment		**(1,454)**	–
Administrative expenses		**(17,143)**	(10,551)
Fair value change on investment property		**(2,908)**	–
Finance costs		**(264)**	(94)
(Loss) profit before taxation	*6*	**(53,163)**	535
Income tax expenses	*7*	**(246)**	(315)
(Loss) profit for the period		**(53,409)**	220
Other comprehensive income for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**204**	–
Other comprehensive income for the period, net of tax		**204**	–
Total comprehensive (expense) income for the period attributable to owners of the Company		**(53,205)**	220
(Loss) earnings per share			
Basic and diluted *(HK$ cent)*	*9*	**(2.67)**	0.01

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	30 June 2026 HK$'000 (unaudited)	31 December 2025 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**19,675**	18,305
Investment property		**6,092**	9,000
Rental deposits	*12*	**219**	–
		25,986	27,305
Current assets			
Inventories	*11*	**24,686**	–
Trade and other receivables	*12*	**82,242**	45,499
Contract assets	*13*	**77,787**	89,642
Time deposits		**303**	–
Pledged bank deposits		**1,330**	1,330
Cash and cash equivalents		**32,633**	62,585
		218,981	199,056
Current liabilities			
Trade payables	*14*	**28,605**	7,296
Other payables		**20,908**	18,665
Contract liabilities	*13*	**5,386**	5,238
Lease liabilities		**677**	711
Tax payable		**1,132**	510
		56,708	32,420
Net current assets		**162,273**	166,636
Total assets less current liabilities		**188,259**	193,941
Non-current liabilities			
Deferred tax liability		**354**	332
Lease liabilities		**3,560**	310
Other payables		**14**	5
Convertible bond	*15*	**36,248**	–
		40,176	647
		148,083	193,294
Capital and reserves			
Share capital	*16*	**20,000**	20,000
Reserves		**128,083**	173,294
		148,083	193,294

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL

SEM Holdings Limited (the "Company") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Act, Chapter 22 (as revised) of the Cayman Islands on 6 November 2015 and its shares were listed on the Main Board of The Stock Exchange Hong Kong Limited (the "Stock Exchange") on 14 February 2020 (the "Listing"). The immediate holding company of the Company is Yao Capital Limited ("Yao Capital"), which is a private company incorporated in the British Virgin Islands (the "BVI") and controlled by Mr. Yao Shubin, the Non-executive director appointed on 1 February 2026.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the "Group") are principally engaged in provision of electrical and mechanical ("E&M") engineering services, trading of electrical cables and sales of intellectual property ("IP") licensed products.

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

During the period, the Directors reassessed the functional currency of the Company. As the principal economic environment in which the Company operates has changed, including funding activities and operating expenditures, the functional currency of the Company was changed from Macau Pataca ("MOP") to HK$ with effect from 1 January 2026. The change has been accounted for prospectively from the date of change in accordance with HKAS 21.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of HKFRS Accounting Standards issued by the HKICPA and adopted by the Group during the current interim period as they have became applicable to the Group set as below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2025.

Application of the amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting Standards issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

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

Applicable accounting policies adopted by the Group during the period

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Convertible bond

Convertible bond issued by the Group that contains both the liability and conversion option components are classified separately as financial liability and equity on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bond and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible bond into equity, is included in equity (convertible bond reserve) and is not subsequently remeasured.

In subsequent periods, the liability component of the convertible bond is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bond reserve until the conversion option is exercised (in which case the balance stated in convertible bond reserve will be transferred to share premium. Where the option remains unexercised at the expiry date, the balance stated in convertible bond reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bond are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bond using the effective interest method.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable by the Group in the course of its ordinary activities from the trading of electrical cables, the provision of E&M engineering services, and IP-licensed products to external customers.

For the trading of electrical cables, revenue is recognised at a point in time when control of the goods is transferred to the customer, which occurs upon delivery of the goods to the customer's specified warehouse location. Upon such delivery, the customer bears the risks of obsolescence and loss in relation to the goods. For sales of IP-licensed products, revenue is recognised at a point in time when control of the goods is transferred to the customer, which occurs when the goods are dispatched from the Group's warehouse. The customer bears the risks of loss or damage in transit from that point onwards. 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.

Disaggregation of revenue

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Provision of electrical and mechanical engineering services		
Hotels and casinos	**1,248**	11,674
Residential properties	**21,143**	3,532
Commercial properties	**595**	606
Public properties	**1,063**	2,633
Others	**–**	664
	24,049	19,109
Trading of electrical cables	**6,404**	2,436
Sales of IP-licensed products		
Trading cards	**8,327**	–
	38,780	21,545

Segment information

The Directors, being the chief operating decision makers (the "CODM"), regularly review the Group's internal management reports for the purpose of allocating resources and assessing performance.

Prior to 2026, the Group was organised as a single operating segment comprising the provision of E&M engineering services and the trading of electrical cables. Operating segments were identified on the basis of internal management reports prepared in accordance with accounting policies consistent with HKFRS Accounting Standards, which were regularly reviewed by the CODM.

During the six months ended 30 June 2026, the Group commenced its IP-related business. The CODM has determined that this new business constitutes a separate reportable and operating segment. Accordingly, the Group is now organised into two reportable operating segments, and comparative segment information for the six months ended 30 June 2025 has been restated to conform to the current period's presentation.

Specifically, the Group's reportable segments under HKFRS 8 "Operating Segments" are as follows:

1. Provision of E&M engineering services and trading of electrical cables

2. Sales of IP-licensed products

	Provision of E&M engineering services and trading of electrical cables *HK$'000*	**Sales of IP-licensed products** *HK$'000*	**Total** *HK$'000*
Six months ended 30 June 2026			
Segment revenue	**30,452**	**8,328**	**38,780**
Segment profit	**517**	**2,376**	**2,893**
Other income			**73**
Administrative expenses			**(17,143)**
Impairment losses under expected credit loss ("ECL") model, net			**(34,360)**
Impairment loss on property, plant and equipment			**(1,454)**
Fair value change on investment property			**(2,908)**
Finance costs			**(264)**
Loss before taxation			**(53,163)**

	Provision of E&M engineering services and trading of electrical cables	Sales of IP-licensed products	Total
	HK$'000	*HK$'000*	*HK$'000*
Six months ended 30 June 2025			
Segment revenue	21,545	–	21,545
Segment profit	3,784	–	3,784
Other income			868
Reversals of impairment losses under ECL model, net			6,528
Administrative expenses			(10,551)
Finance costs			(94)
Profit before taxation			535

Geographical information

The Group's operations are principally located in Macau, Hong Kong and Mainland China.

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 Six months ended 30 June		Non-current assets At	
			30 June	31 December
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(audited)
Macau	**1,612**	15,822	**20,434**	25,363
Hong Kong	**28,841**	5,723	**1,488**	1,942
Mainland China	**8,327**	–	**4,064**	–
	38,780	21,545	**25,986**	27,305

5. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest income	**2**	601
Government grants *(Note)*	**–**	227
Others	**71**	40
	73	868

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

6. (LOSS) PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) profit before taxation has been arrived at after charging (crediting):		
Staff costs	**6,730**	8,738
Depreciation of property, plant and equipment	**1,068**	1,249
Impairment losses (reversals of impairment losses) under ECL model, net	**34,360**	(6,528)

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Macau Complementary Tax		
Current tax	**–**	316
Deferred taxation	**(189)**	(2)
Hong Kong Profits Tax		
Current tax	**22**	–
Deferred taxation	**155**	1
PRC Enterprises Income Tax ("EIT")		
Current tax	**202**	–
Deferred taxation	**56**	–
	246	315

For the six months ended 30 June 2026, Macau Complementary Tax is calculated at 12% (for the six months ended 30 June 2025: 12%) of the estimated assessable profits exceeding MOP600,000 for the periods.

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.

Provision for PRC EIT is calculated at the applicable statutory tax rates on estimated taxable profits, in accordance with the income tax laws and regulations governing the Group's operating subsidiaries in Mainland China.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the six months period ended 30 June 2026 (six months ended 30 June 2025: nil), nor has any dividend been proposed since the end of the reporting period.

9. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
(Loss) profit		
(Loss) profit for the purpose of basic and diluted (loss) earnings per share	**(53,409)**	220

	Six months ended 30 June	
	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss (earnings) per share	**2,000,000**	2,000,000

The computation of diluted loss per share for the six months ended 30 June 2026 does not assume the conversion of the Convertible Bond issued by the Company on 24 April 2026 since the assumed conversion would result in a decrease in loss per share and is therefore anti-dilutive. No diluted earnings per share for six months ended 30 June 2025 are presented as there are no potential ordinary shares were issued for the six months ended 30 June 2025.

Accordingly, diluted loss per share for the reporting period is the same as basic loss per share.

As at 30 June 2026, the Company has outstanding Convertible Bond with an aggregate principal amount of HK$44,000,000 which are convertible into 400,000,000 ordinary shares of the Company.

10. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment with an aggregate amount of HK$3,892,000 (six months ended 30 June 2025: HK$286,000).

11. INVENTORIES

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
IP-licensed products	**24,686**	–

12. TRADE AND OTHER RECEIVABLES

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Trade receivables	**29,135**	47,987
Less: Allowance for credit losses	**(9,895)**	(3,646)
	19,240	44,341
Prepayments to suppliers	**60,733**	–
Other prepayments	**369**	613
Rental deposits	**219**	60
Other deposits	**147**	58
Other receivables	**1,753**	427
	82,461	45,499
Presented as:		
Non-current	**219**	–
Current	**82,242**	45,499
	82,461	45,499

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**1,199**	22,524
31–60 days	**1,777**	1,360
61–90 days	**147**	1,198
Over 90 days	**16,117**	19,259
	19,240	44,341

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Contract assets from provision of E&M engineering services		
– Unbilled revenue	**101,912**	85,807
– Retention money	**19,012**	18,861
	120,924	104,668
Less: Allowance for credit losses	**(43,137)**	(15,026)
	77,787	89,642
Contract liabilities		
Provision of electrical and mechanical engineering services	**4,539**	5,238
Customer deposit for IP-licensed products	**847**	–
	5,386	5,238

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional on quantity surveyors' or customers' inspection. The contract assets are transferred to trade receivables when the rights become unconditional.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

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.

The amount of receipt in advance from a customer is netted off against retention money on a particular contract basis and presented as contract liabilities.

14. TRADE PAYABLES

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

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Within 30 days	**24,653**	3,351
31–60 days	**–**	–
61–90 days	**–**	–
Over 90 days	**3,952**	3,945
	28,605	7,296

15. Convertible Bond

On 24 April 2026, Yao Capital entered into a subscription agreement with the Company, pursuant to which Yao Capital conditionally agreed to subscribe for a convertible bond (the "Convertible Bond") issued by the Company in the principal amount of HK$44,000,000, which may be converted into 400,000,000 shares at the initial conversion price of HK$0.11 per share. The Convertible Bond will be matured on 24 April 2028.

Please refer to the Company's circular dated 9 March 2026 and the Company's announcement dated 24 April 2026 for the detailed terms and completion of the Convertible Bond.

The fair value of the Convertible Bond was valued by an independent valuer, Masterpiece Valuation Advisory Limited as at issue date. The fair value of the Convertible Bond was valued using binomial model. The residual amount, representing the value of the equity conversion component as entitled by the Company, is included in the convertible bond reserve under equity attributable to the owners of the Company.

The principal amount of the Convertible Bond will be payable on the date of redemption, conversion or maturity. The effective interest rate of the liability component is 10.60%.

The movements of the liability and equity components of the Convertible Bond during the reporting period are set out below:

	Liability component	**Equity component**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
As issue date of the Convertible Bond	36,006	7,994	44,000
Imputed interest expense	242	–	242
At 30 June 2026	36,248	7,994	44,242

No convertible bond was converted into ordinary shares of the Company, and no redemption, purchase or cancellation by the Company has been made in respect of the convertible bond up to the reporting period.

16. SHARE CAPITAL

	Number of shares	Share Capital *HK$'000*
Ordinary shares of HK$0.01 each		
Authorised		
At 1 January 2025, 30 June 2025, and 1 January 2026 and 30 June 2026	**5,000,000,000**	**50,000**
Issued and fully paid		
At 1 January 2025, 30 June 2025, and 1 January 2026 and 30 June 2026	**2,000,000,000**	**20,000**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND MARKET PROSPECT

SEM Holdings Limited, together with its subsidiaries, operates a diversified business portfolio comprising three core revenue streams: (i) the provision of electrical related electrical and mechanical ("E&M") engineering works, (ii) the trading of electrical cables, and (iii) intellectual property ("IP") related business. The scope of our E&M engineering works mainly consists of supply, installation, renovation, and maintenance of electrical systems, for new and existing buildings which include commercial, residential public properties, hotel and casino development. Starting from 2026, the Group launched IP-related business, which is expected to further reduce the Group's reliance on its E&M engineering and cable trading business and to continue to optimize its revenue portfolio.

During the Period 2026, the Group recorded total revenue of approximately HK$38.8 million. Compared to the Period 2025, revenue increased by approximately HK$17.3 million or 80.0%. All our three core revenue streams recorded revenue growth. Please refer to the "Financial Review" section below for further details.

During the Period 2026, the Company proactively developed its E&M engineering business. Amid the macroeconomic backdrop, the industry faced heightened competition and greater pressure on receivables collection. The Group will continue to optimize its project structure, maintain strict cost discipline, and enhance profitability.

The IP-related business has achieved substantial progress. The Company has seized the market opportunity in trading cards by rapidly expanding its channel network, striving to identify new profit growth drivers and create corporate value.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 80.0%, from approximately HK$21.5 million for the Period 2025 to approximately HK$38.8 million for the Period 2026. Of the HK$24.0 million revenue generated from E&M engineering services, over HK$22.0 million was driven by electric vehicle ("EV") charging-related works. Despite the continued challenges in the market environment, all business segments of the Group still achieved moderate growth.

	For the six months ended 30 June (unaudited)			
	2026		2025	
	HK$ million	*%*	*HK$ million*	*%*
Provision of electrical and mechanical engineering services				
Hotels and Casinos	**1.3**	**3.4**	11.7	54.4
Residential properties	**21.1**	**54.4**	3.5	16.3
Commercial properties	**0.6**	**1.5**	0.6	2.8
Public properties	**1.1**	**2.8**	2.6	12.1
Others	**–**	**–**	0.7	3.2
Trading of electrical cables	**6.4**	**16.5**	2.4	11.2
IP-licensed products				
Trading cards	**8.3**	**21.4**	–	
	38.8		**21.5**	

Cost of Sales

The Group's cost of sales amounted to HK$35.9 million for the Period 2026, representing an increase of approximately 102.1% from approximately HK$17.8 million for the Period 2025. Cost of sales mainly comprised material costs, sub-contracting cost and purchase cost of IP-licensed products, which accounted for approximately 49.4, 24.1% and 16.6% respectively of the Group's total cost of sales for the Period 2026 (the Period 2025: approximately 51.5%, 5.7% and nil, respectively).

Gross profit/Gross profit margin

The Group's overall gross profit was approximately HK$2.9 million for the Period 2026 and approximately HK$3.8 million for the Period 2025. The gross profit margin decreased from approximately 17.6% for the Period 2025 to approximately 7.5% for the Period 2026.

The decrease in the gross profit margin was mainly attributable to the EV Charging related business. The Directors consider that the gross profit margin of EV charging business has been impacted severely by the downturn of the construction market. The Group is striving to implement various cost-saving measures to achieve a higher gross margin of the Group.

Other Income

Other income mainly included rental income and bank interest income. For the Period 2026, the Group's other income amounted to HK$0.1 million (the Period 2025: HK$0.9 million).

Impairment losses/(reversals) under ECL model, net

At 30 June 2026, the Group has recognised cumulative credit loss allowance on contract assets and trade receivables of approximately HK$43.1 million and approximately HK$9.9 million respectively.

Impairment losses under ECL model were derived from trade receivables and contract assets. The reversal of impairment loss under ECL model was approximately HK$6.5 million in the Period 2025 and the impairment loss under ECL model was approximately HK$34.4 million in the Period 2026. The change in impairment loss was mainly due to the overall increase in credit risks on certain project customers. 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 to approximately HK$17.1 million for the Period 2026 from approximately HK$10.6 million for the Period 2025. The increment was mainly due to the increase in professional fee.

Income tax expenses

The Group recorded an income tax expense of approximately HK$0.2 million for the Period 2026 (the Period 2025: HK$0.3 million). The change in taxation was mainly due to the profit generated from the operation of subsidiaries.

Net Loss

The Group reported a net loss for the Period 2026 of approximately HK$53.4 million, as compared with a net profit of approximately HK$0.2 million recorded for the Period 2025.

The basic and diluted loss per share for the Period 2026 would be approximately HK$2.67 cents (the Period 2025: basic earnings per share was approximately HK$0.01 cents).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the Period 2026 (the Period 2025: Nil).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

In the Period 2026, the Group raised HK$44 million through the issuance of convertible debentures to Mr. Yao Shuobin, the Chairman and a Non-executive director of the Company, to support the working capital requirements for the strategic development of its E&M engineering and electrical cable trading businesses. With the proceeds from the fundraising, the Board of the Company believes that the Group has sufficient financial resources to execute its growth strategy and ensure the continuity of its operations.

As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$32.6 million (31 December 2025: approximately HK$62.6 million). Furthermore, the Group also had time deposits of approximately HK$0.3 million as at 30 June 2026 (31 December 2025: nil). As at 30 June 2026, the working capital (current assets less current liabilities) of the Group was approximately HK$162.3 million (31 December 2025: approximately HK$166.6 million) and the net asset value was approximately HK$148.1 million (31 December 2025: approximately HK$193.3 million).

Gearing ratio (total debt/total equity) as at 30 June 2026 was approximately 65.4% (31 December 2025: approximately 17.1%).

There was no change in the Company's share capital during the Period 2026.

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 at all times.

CURRENCY RISK

The Group has minimal exposure to foreign currency risk, as the majority of its transactions, assets, and liabilities are denominated in the functional currencies of its respective entities – primarily Macau Pataca, Hong Kong Dollars, and Chinese Yuan. The exchange rate between these functional currencies and the Hong Kong Dollar remains 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. The interest rates of these bank deposits are determined by reference to the respective bank offer rates. The Group's convertible debenture is non-interest bearing and therefore do not expose the Group to interest rate risk. 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

E&M Engineering and cable trading business

The E&M engineering and electrical cable trading business operations are conducted in Macau and Hong Kong providing electrical related E&M engineering works and trading of electrical cable. Our engagements with customers are 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 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, trade receivables of trading of electrical cables or the retention money is not paid or released to the Group on time or in full; or the construction project cash flows fluctuate. To monitor the 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 cost 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.

There remain uncertainties relating to the price trends and stable supply of cables and other key materials. If major suppliers adjust their supply arrangements, delay deliveries, or terminate cooperation, it could have a material adverse effect on our operations and profitability. The Group will monitor supplier status closely and take necessary mitigation measures as appropriate.

IP-related business

Group's IP-related business is highly dependent on third-party IP licenses. As the relevant IP is not owned by the Group, the Group is exposed to the risk that the licensing agreements may not be renewed or may be terminated early. A decline in the market popularity of relevant IP, or adverse change in licensing terms and fees, could have a material negative impact on the stability and growth prospects of the Group's licensing business.

Overall

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 control system.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS

Save as disclosed in this announcement, the Group neither have any significant investments nor any material acquisitions or disposals of subsidiaries and associated companies for the Period 2026.

PLEDGE OF ASSETS

Pledged bank deposits as at 30 June 2026 and 31 December 2025 are pledged to secure the performance bonds granted to the Group. The Group had no other material pledge of assets as at 31 December 2025 and 30 June 2026.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group does not have other plans for material investments and capital assets as at 30 June 2026 and up to the date of this announcement.

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 30 June 2026 (31 December 2025: Nil).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities (31 December 2025: Nil).

PROSPECTS AND STRATEGIES

Looking ahead, the business environment for the construction and E&M engineering industry in Hong Kong and Macau remains challenging, with intense market competition and pressure on the overall gross profit margin of the industry, The Group will continue to concentrate on its core E&M engineering business, prudently select high-quality projects, strengthen cost control and refined management throughout the entire project life cycle, continuously optimize its business structure, and improve profitability. Meanwhile, the Group will actively explore opportunities for market expansion in the Mainland China to diversify regional operational risks. At the same time, the Group will continue to advance its IP-related business development. The IP commercialization market offers considerable growth potential. The Group will continue to focus on cultivating its new trading cards business, seizing market development opportunities, enhancing its product portfolio, expanding sales channels, building a user operation system, actively tapping into the commercial value of IP, and fostering new growth drivers.

The Group adheres to a diversified business development strategy, balancing resources allocation between traditional and emerging businesses, and is committed to enhancing the Group's overall competitiveness and creating long-term value for shareholders. The Group's management adopts a prudent stance on the Group's financial performance for the second half of 2026, and believes that the Group will improve its financial results for the year.

For development of IP-related business, the Group will focus on expanding its IP licensing portfolio by securing rights from a wider range of IP holders, as well as developing its own IP projects. The Group expects that strengthening both its IP licensing partnerships and in-house development capabilities will enable the IP segment to grow into a meaningful new revenue pillar, supporting the Group's long-term objective of building a diversified business portfolio.

Management of the Group is cautious about the Group's financial performance in the second half of 2026 and believes that the Group will improve its financial results for this year.

EVENTS AFTER THE REPORTING PERIOD

On 1 July 2026, the Company and Hainan Hongyan Information Technology Co., Ltd.(海南鴻言信息科技有限公司)(the "Lender") entered into a loan agreement, pursuant to which the Lender agreed to make available a term loan facility to the Company, as borrower, in the principal amount of up to a maximum amount of RMB200,000,000 (the "Loan") for a term of six months commencing on 1 July 2026, bearing no interest and renewable upon negotiation. The Loan is unsecured. The Company intends to use the proceeds from the Loan as the general working capital of the Group. Please refer to the announcement of the Company published on 1 July 2026 for details.

Save as disclosed in this announcement, no other material events have occurred after the Period 2026 and up to the date of this announcement.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Period 2026, 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 a material impact on the business and operations of the Group.

EMPLOYEES AND REMUNERATION POLICY

The Group had 147 full-time employees (including Non-executive Directors and Executive Directors) as at 30 June 2026 (31 December 2025: 48), among 15, 7 and 125 (31 December 2025: 18, 30 and nil) were stationed in Macau, Hong Kong and Mainland China, respectively. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from retirement benefit scheme contributions, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual and Group performance. The remuneration policy in place as at 30 June 2026 was in line with the current legislation in the relevant jurisdictions, market conditions and performance of the staff and the Group.

CORPORATE GOVERNANCE

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Save for the deviation from code provision C.2.1 during the period from 1 January 2026 to 31 January 2026 (which was resolved on 1 February 2026), the Company has complied with the Corporate Governance Code (the "CG code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). To the best of the knowledge of the Board, except the short period of deviation from code provision C.2.1 of the CG Code, the Company has complied with the CG code during the Period 2026 and up to the date of this announcement. The Directors will periodically review on the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the CG Code 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 the 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 six months ended 30 June 2026 comprised at least one Executive Director, 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 the Chairman and the 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.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as 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 throughout the Period 2026 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, sold or redeemed any of the Company's listed securities for the Period 2026.

Sufficiency of Public Float

Reference is made to (i) the composite document published by Yao Capital Limited (the "Offeror") and the Company dated 29 December 2025 in relation to the Offer; (ii) the joint announcement (the "Closing Announcement") jointly issued by the Offeror and the Company dated 19 January 2026 in relation to, among others, the results of the Offer; and (iii) the announcement of the Company dated 20 January 2026 in relation to the grant of waiver from strict compliance with the minimum public float requirement and restoration of public float.

As disclosed in the Closing Announcement, immediately after the close of the Offer on 19 January 2026, subject to the completion of the transfer to the Offeror of those Offer Shares acquired by it under the Offer, 499,760,000 Shares, representing approximately 24.99% of the entire issued share capital of the Company, were held by the public (as defined under the Listing Rules) and therefore the Company did not satisfy the minimum public float requirement under Rule 13.32B of the Listing Rules as at the date of the Closing Announcement.

The Company made an application to the Stock Exchange for a temporary waiver from strict compliance with Rule 13.32B of the Listing Rules. On 20 January 2026, the Stock Exchange granted the waiver for the period from 19 January 2026 to 20 January 2026 (both days inclusive). The Company was informed by the Offeror that on 20 January 2026, the Offeror sold an aggregate of 240,000 Shares on market, representing approximately 0.01% of the total number of Shares in issue as at that date. Immediately after the above disposal, the total number of Shares held by the public was 500,000,000, representing 25.00% of the total number of Shares in issue. Accordingly, the minimum public float of the Company of 25% of the total number of Shares in issue as required under Rule 13.32B of the Listing Rules has been restored. Accordingly, the Company has maintained sufficient public float throughout the remainder of the Period 2026 and up to the date of this announcement.

OTHER INFORMATION

Audit Committee

The Company has established an audit committee (the "Audit Committee") in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls systems. A meeting of the Audit Committee was held on 14 August 2026 to review the unaudited condensed consolidated financial statements of the Group for the Period 2026.

The interim financial results of the Group for the Period 2026 are unaudited but have been reviewed by the Audit Committee and approved by the Board, which the Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

CHANGES IN THE INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULE

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information of Directors of the Company subsequent to the date of the last published annual report of the Company up to the date of the Board meeting held at 14 August 2026 approving this announcement are set out below:

Name of Directors	Changes in information
Mr. Gavin JL Feng	Appointed as an independent Non-executive Director with effect from 1 April 2026
Ms. Chen Tak Yee Dickdy	Resigned as an independent Non-executive Director with effect from on 1 April 2026

Publication of Results Announcement and Despatch of Interim Report

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and on the Company's website (semhld.com). The interim report will also be available for inspection on the above websites and will be despatched to the shareholders of the Company in due course.

On behalf of the Board
SEM Holdings Limited
Yao Shuobin
Chairman and Non-executive Director

Hong Kong, 14 August 2026

At the date of this announcement, the Board comprises Mr. Wan Man Keung as Executive Director; Mr. Yao Shuobin as Non-executive Director; and Dr. Huang Mingxin, Dr. Zang Yunzhi and Mr. Gavin JL Feng as Independent Non-executive Directors.