Sandmartin International Holdings Limited

聖 馬 丁 國 際 控 股 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 482)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

– For the six months ended 30 June 2026, the unaudited revenue of the Group was approximately HK$231.2 million, representing an increase of approximately 2.6% as compared to approximately HK$225.3 million for the corresponding period in last year.

– The loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately HK$22.10 million (six months ended 30 June 2025: loss of approximately HK$40.2 million).

– For the six months ended 30 June 2026, basic loss per share was approximately HK13.78 cents (six months ended 30 June 2025: loss per share of approximately HK31.63 cents).

– The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

* *For identification purpose only*

CHAIRMAN’S LETTER TO SHAREHOLDERS

Dear shareholders of the Company (the “**Shareholders**”),

On behalf of the board (the “**Board**”) of the directors (the “**Directors**”) of Sandmartin International Holdings Limited (the “**Company**”, together with its subsidiaries collectively referred to as the “**Group**”), I hereby present the unaudited consolidated interim results of the Group for the six months ended 30 June 2026.

The financial performance of the Group was not satisfactory for the six months ended 30 June 2026. As a result of the tight monetary policy globally, although the revenue of the Group’s products has increased, the gross profit margin has declined when compared with the same corresponding period in 2025. The Group has taken some measures to mitigate the unfavourable impacts, including but not limited to sourcing from different suppliers to increase the gross profit margin.

The ongoing China-US trade war still has some negative impacts on certain segments of the operations of the Group and the Group mitigates the impacts by sourcing from suppliers in Southeast Asia, for the purpose of avoiding the excessive tariffs imposed by the United States (the “**US**”) on products from The People’s Republic of China (the “**PRC**” or “**China**”).

The geo-political and geo-economic tensions are yet to be resolved. Given these volatilities and challenges, the Group will continue to adopt a prudent approach in managing its cash flow position and will make every endeavour to identify business opportunities with promising potential in the manufacturing segments in emerging markets or even other sectors so as to diversify our income source to weather adverse economic cycle.

To strengthen the financial position of the Group, on 24 October 2025, the Company proposed inter alia, capital reorganisation involving the share consolidation and capital reduction of the Company on the basis that ten issued and unissued shares were consolidated into one adjusted share with par value of HK$0.1 each in the share capital of the Company (the ”**Share Consolidation**”) and the rights issue on the basis of one rights share for every one adjusted share in issue on the record date (the “**Rights Issue**”). The capital reorganisation became effective on 25 March 2026 and the Rights Issue completed on 8 May 2026. For further details, please refer to the section headed “Capital Reorganisation and Rights Issue” in the Review of Financial Position Section.

Looking ahead, the Board recognises that the Group is still in the process of identifying effective avenues for future business growth. We remain committed to pursuing innovation and exploring opportunities that can strengthen the Group's revenue base and long-term profitability in the age of Artificial Intelligence.

On behalf of the Board, I would like to take this opportunity to express our gratitude to our invaluable business partners, Shareholders, management and employees for their continuous support and contribution to the Group. We look forward to sharing the rewards ahead with you.

Xu Haohao
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHT AND BUSINESS REVIEW

The Group recorded a decrease in gross profit margin from 11.60% for the six months ended 30 June 2025 to 8.07% for the six months ended 30 June 2026 due to the increase in material costs, global shortage of chips and integrated circuits.

MEDIA ENTERTAINMENT PLATFORM RELATED PRODUCTS

In response to the challenging economic environment, the Group's media entertainment platform related products segment continued to explore new business opportunities in emerging markets. The revenue of this segment increased by approximately 45.29% as compared with the six months ended 30 June 2025.

– The segment revenue of media entertainment platform related products was approximately HK$35.0 million (six months ended 30 June 2025: approximately HK$24.1 million).

– The segment results from operations were approximately HK$2.8 million (six months ended 30 June 2025: approximately HK$5.5 million).

– The segment margin was approximately 7.93%, as compared with the segment margin of approximately 22.67% for the six months ended 30 June 2025.

Outlook

The Group is exploring new business opportunities for this segment. The China-US trade war is not expected to have material adverse impact on this segment as this segment does not have customers in the US.

OTHER MULTIMEDIA PRODUCTS

Owing to explore new business opportunities in emerging markets, the revenue of the Group's other multimedia products segment was higher than expected. Major products of this segment included cables, multimedia accessories and wireless mobile phone chargers for vehicles. Segment revenue increased by approximately 35.10% as compared with the six months ended 30 June 2025.

- The segment revenue of other multimedia products was approximately HK$58.7 million (six months ended 30 June 2025: approximately HK$43.4 million).

- The segment results from operations were approximately HK$6.7 million (six months ended 30 June 2025: approximately HK$6.1 million).

- The segment margin was approximately 11.48%, as compared with the segment margin of approximately 14.13% for the six months ended 30 June 2025.

Outlook

We are enhancing our product portfolio and developing new businesses to cope with the new demand from customers. The China-US trade war and increase in freight charges have certain impacts on this segment as some of the customers are located in the US and the impact is partially mitigated by sourcing from suppliers outside the PRC, such as Southeast Asia and adjusting logistics structure.

SATELLITE TV EQUIPMENT AND ANTENNA PRODUCTS

The segment margin of the Group's satellite TV equipment and antenna products segment showed a decline notwithstanding the gradual recovery of economy from the Pandemic in the North America.

– The segment revenue of satellite TV equipment and antenna products was approximately HK$137.6 million (six months ended 30 June 2025: approximately HK$157.8 million).

– The segment results from operations were approximately HK$3.5 million (six months ended 30 June 2025: approximately HK$8.4 million).

– The segment margin was approximately 2.57%, as compared with the segment margin of approximately 5.30% for the six months ended 30 June 2025.

Outlook

Low noise blocking down converters ("**LNBs**") are receiving devices mounted on satellite dishes used for reception, which collect microwaves from the satellite dishes and facilitate the transmission of satellite TV signals. Apart from the sales of LNBs to the customers in North America, we are exploring business opportunities in other areas such as cross-selling LNBs to other existing customers of the Group. The China-US trade war has some impacts on this segment as some of the Group's customers are located in the US. Such impacts are minimized by sourcing from suppliers outside the PRC, such as South Asia.

GEOGRAPHICAL RESULTS

Asia

– The Group's revenue from Asia for the six months ended 30 June 2026 was approximately HK$125.1 million, as compared with the six months ended 30 June 2025 of approximately HK$69.9 million.

– Approximately 79.0% increase in the Group's revenue from Asia compared with the six months ended 30 June 2025.

– The Group's revenue from Asia shares approximately 54.1% of the Group's total revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 31.0%).

Europe

– The Group's revenue from Europe for the six months ended 30 June 2026 was approximately HK$19.7 million, as compared with the six months ended 30 June 2025 of approximately HK$30.0 million.

– Approximately 34.3% decrease in the Group's revenue from Europe compared with the six months ended 30 June 2025.

– The Group's revenue from Europe shares approximately 8.5% of the Group's total revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 13.3%).

Middle East

– The Group's revenue from Middle East for the six months ended 30 June 2026 was approximately HK$8.2 million, as compared with the six months ended 30 June 2025 of approximately HK$10.4 million.

– Approximately 21.2% decrease in the Group's revenue from Middle East compared with the six months ended 30 June 2025.

– The Group's revenue from Middle East shares for approximately 3.5% of the Group's total revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 4.6%).

North America

- The Group's revenue from North America for the six months ended 30 June 2026 was approximately HK$72.1 million, as compared with the six months ended 30 June 2025 of approximately HK$113.2 million.

- Approximately 36.3% decrease in the Group's revenue from North America compared with the six months ended 30 June 2025.

- The Group's revenue from North America shares approximately 31.2% of the Group's total revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 50.2%).

South America

- The Group's revenue from South America for the six months ended 30 June 2026 was approximately HK$6.0 million, as compared with the six months ended 30 June 2025 of approximately HK$1.6 million.

- Approximately 275.0% increase in the Group's revenue from South America compared with the six months ended 30 June 2025.

- The Group's revenue from South America shares approximately 2.6% of the Group's total revenue for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately 0.7%).

Outlook

As our businesses in Asia and North America accounted for the majority of the Group's revenue, we shall focus on these regions in the future.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		For six months ended 30 June	
		2026	2025
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*5*	**231,234**	225,269
Cost of sales		**(212,563)**	(199,129)
Gross profit		**18,671**	26,140
Other income, gains and losses	*6*	**27,912**	22,877
Distribution and selling costs		**(5,623)**	(6,187)
Administrative and other expenses		**(61,479)**	(56,497)
Research and development costs		**(5,506)**	(6,571)
Provision for expected credit losses on financial assets		**(1,732)**	(2,291)
Finance costs		**(10,919)**	(14,180)
Loss before income tax		**(38,676)**	(36,709)
Income tax expense	*7*	**(2,550)**	(962)
Loss for the period	*8*	**(41,226)**	(37,671)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		**6,084**	(7,229)

		For six months ended 30 June	
		2026	2025
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Other comprehensive income for the period		**6,084**	(7,229)
Total comprehensive income for the period		**(35,142)**	(44,900)
Loss for the period attributable to:			
– Owners of the Company		**(22,095)**	(40,161)
– Non-controlling interests		**(19,131)**	2,490
		(41,226)	(37,671)
Total comprehensive income attributable to:			
– Owners of the Company		**(21,697)**	(51,180)
– Non-controlling interests		**(13,445)**	6,280
		(35,142)	(44,900)
		HK cents	*HK cents*
			(Restated)
Loss per share	*10*		
Basic		**(13.78)**	(31.63)
Diluted		**(13.78)**	(31.63)

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		**16,501**	22,542
Investment properties		**365,790**	352,502
Intangible assets		**3,369**	4,383
Other receivables	*12*	**164**	3,446
Deferred tax assets		**2,596**	2,556
Total non-current assets		**388,420**	385,429
Current assets			
Inventories		**37,689**	39,175
Trade, bills and other receivables	*12*	**146,264**	174,700
Loan receivables	*11*	**–**	–
Loan to an associate	*13*	**5,330**	5,330
Amount due from an associate	*13*	**10,711**	10,822
Pledged bank deposits		**4,526**	5,462
Bank balances and cash		**122,458**	76,538
Total current assets		**326,978**	312,027
Current liabilities			
Trade, bills and other payables	*14*	**434,648**	365,326
Contract liabilities		**18,997**	18,171
Tax liabilities		**8,971**	11,588
Bank and other borrowings		**122,234**	206,185
Provision for financial guarantee	*15*	**27,332**	27,332
Lease liabilities		**8,434**	8,560
Total current liabilities		**620,616**	637,162

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Net current liabilities	**(293,638)**	(325,135)
Total assets less current liabilities	**94,782**	60,294
Non-current liabilities		
Bank and other borrowings	**125,333**	143,710
Deferred tax liabilities	**97,252**	96,879
Lease liabilities	**23,415**	27,544
Total non-current liabilities	**246,000**	268,133
NET LIABILITIES	**(151,218)**	(207,839)
Capital and reserves		
Share capital	**24,539**	123,040
Reserves	**(114,332)**	(282,898)
Capital deficiency attributable to owners of the Company	**(89,793)**	(159,858)
Non-controlling interests	**(61,425)**	(47,981)
CAPITAL DEFICIENCY	**(151,218)**	(207,839)

NOTES

1. GENERAL INFORMATION

The Company is incorporated in Bermuda with limited liability and its shares are listed on Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and its principal place of business is located at 31/F, 148 Electric Road, North Point, Hong Kong. The Group principally engages in manufacturing and trading of satellite TV equipment products and other electronic goods.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and compliance with Hong Kong Accounting Standard ("**HKAS**") 34 "*Interim Financial Reporting*" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The condensed consolidated interim financial statements should be read in conjunction with the 2025 annual financial statements. Except as described below, the accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2025.

Basis of measurement and going concern assumption

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for investment properties which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group incurred a net loss of HK$41,226,000 for the six months ended 30 June 2026 and as of that date, the Group had net current liabilities and net liabilities of HK$293,638,000 and HK$151,218,000 respectively. As at 30 June 2026, the Group's current bank and other borrowings amounted to HK$122,234,000, which mainly comprised bank borrowings of HK$29,609,000 repayable within one year and are subject to renewal and other loan of HK$92,625,000 that is repayable on demand. Whilst the Group had cash and bank balances of HK$122,458,000 only as at 30 June 2026. These conditions may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, in preparing the condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026, the Directors have given careful consideration to the Group's future liquidity, performance and available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from the end of the reporting period. The Directors have prepared a cash flow forecast covering a 15-month period from the end of the reporting period ("**Cash Flow Forecast**"), and taking into account the following plans and measures:

(1) As of the date of approval of these consolidated financial statements, the Group has unutilised bank facilities totalling HK$95.9 million.

(2) Based on the recent communication with the banks providing facilities, the Group expects to renew most of its existing bank facilities on the basis that the Group has complied with the terms of the loan arrangements and that, based on the Directors' experience and communication with relevant banks, there remains sufficient headroom in the credit enhancements, mainly security of the investment properties, provided by the Group over the outstanding borrowings.

(3) The Group has put effort in boosting its sales performance particularly the satellite TV equipment and antenna products segment. Also, the management would adopt costs control measures to enhance operating cash flows.

Sensitivity analysis has also been performed by considering reasonably possible changes of the key parameters in the Cash Flow Forecast.

Based on the Cash Flow Forecast and the sensitivity analysis, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due for at least twelve months from the end of the reporting period. Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated interim financial statements on a going concern basis.

Notwithstanding the above, the use of the going concern basis depends on successful implementation of the above plans and measures and there are inherent uncertainties associated with the future outcome of the Cash Flow Forecast that, inter alia, includes (i) whether the Group is able to timely renew its bank borrowings and facilities as they fall due throughout the period covered by the Cash Flow Forecast; and (ii) whether the Group's business outlook will not significantly deteriorate or derivate from the Directors' expectation and costs control measures could be effectively implemented without adversely affecting the Group's operations.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets or discharge its liabilities in the normal course of business.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to adjust the value of assets to their estimated net realisable values, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in the condensed consolidated interim financial statements.

3. ADOPTION OF HKFRS ACCOUNTING STANDARDS

In the current period, the Group has applied for the first time the following amendments to HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2026.

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
Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements

None of these amended HKFRS Accounting Standards has a material impact on the Group's results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

The following new and amendments to HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

HKFRS 18	Presentation and Disclosure in Financial Statements[1]
HKFRS 19 and Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures[1]
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[1]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contain a Repayment on Demand Clause[1]

[1] Effective for annual periods beginning on or after 1 January 2027

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2025 annual financial statements.

5. SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of their goods delivered or provided by the Group's operating divisions which are consistent with the internal information that are regularly reviewed by the executive Directors, the chief operating decision maker, for the purposes of resources allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around different products and services.

Specifically, the Group's operating segments under HKFRS 8 are as follows:

(i) Media entertainment platform related products

Trading and manufacturing of media entertainment platform related products, which are mainly used for satellite products equipment.

(ii) Other multimedia products

Trading and manufacturing of components of audio and video electronic products such as cable lines.

(iii) Satellite TV equipment and antenna products

Trading and manufacturing of satellite TV equipment, antenna and other related electronic products.

Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 30 June 2026

	Media entertainment platform related products *HK$'000* (unaudited)	**Other multimedia products** *HK$'000* (unaudited)	**Satellite TV equipment and antenna products** *HK$'000* (unaudited)	**Total** *HK$'000* (unaudited)
REVENUE				
External sales	**35,011**	**58,651**	**137,572**	**231,234**
Timing of revenue recognition				
At a point in time	**35,011**	**58,651**	**137,572**	**231,234**
RESULTS				
Segment results	**2,776**	**6,734**	**3,538**	**13,048**
Other income, gains and losses				**27,912**
Administrative and other expenses				**(61,479)**
Research and development costs				**(5,506)**
Provision for expected credit losses on trade receivables				**(2,105)**
Reversal of expected credit losses on amount due from an associate				**373**
Finance costs				**(10,919)**
Loss before income tax				**(38,676)**

Six months ended 30 June 2025

	Media entertainment platform related products *HK$'000* (unaudited)	Other multimedia products *HK$'000* (unaudited)	Satellite TV equipment and antenna products *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
REVENUE				
External sales	24,098	43,413	157,758	225,269
Timing of revenue recognition				
At a point in time	24,098	43,413	157,758	225,269
RESULTS				
Segment results	5,463	6,133	8,357	19,953
Other income, gains and losses				22,877
Administrative and other expenses				(56,497)
Research and development costs				(6,571)
Provision for expected credit losses on trade receivables				(1,571)
Provision for expected credit losses on amount due from an associate				(720)
Finance costs				(14,180)
Loss before income tax				(36,709)

Segment results represent the profit earned by each segment without allocation of other income, gains and losses, administrative and other expenses, research and development costs, provision for/(reversal of) expected credit losses and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

6. OTHER INCOME, GAINS AND LOSSES

	For six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Ancillary service income from tenants	**8,244**	6,682
Interest income	**1,819**	1,998
Interest income from an associate	**501**	499
Rental income	**7,702**	6,095
Waive of interest payables	**10,589**	–
Net foreign exchange loss	**(12,170)**	(2,914)
Others	**11,227**	10,517
	27,912	22,877

7. INCOME TAX EXPENSE

	For six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The tax charge comprises:		
Current tax:		
the PRC	**2,539**	94
Jurisdictions other than the PRC and Hong Kong	**2,676**	43
	5,215	137
Under-provision in prior years:		
the PRC	**77**	103
Deferred taxation	**(2,742)**	722
	2,550	962

(i) the PRC

The applicable PRC enterprise income tax rate of the PRC subsidiaries is 25% in accordance with the relevant income tax law and regulations in the PRC.

(ii) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

No tax is payable on the profit arising in Hong Kong as the entity operating in Hong Kong incurred tax losses for both periods.

(iii) United States

The Group's subsidiaries in the US are subjected to United States Federal Income Tax at 21% and States Income Tax at 6%.

(iv) Europe

The Group's European subsidiaries are subject to profit tax rates at a range of 25% to 30%.

(v) Others

Other subsidiaries operating in other jurisdictions are subject to applicable tax rates in the relevant jurisdictions.

8. LOSS FOR THE PERIOD

	For six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging/(crediting):		
Directors' emoluments	**1,414**	1,878
Other staff costs	**27,635**	35,201
Contributions to defined contribution plans, excluding Directors	**575**	664
Total employee benefit expenses	**29,624**	37,743
Provision for expected credit losses on trade receivables	**2,105**	1,571
(Reversal of)/provision for expected credit losses on amount due from an associate	**(373)**	720
Provision for expected credit losses on financial assets	**1,732**	2,291
Amortisation of intangible assets *(Note (i))*	**260**	260
Depreciation of property, plant and equipment *(Note (iii))*	**3,128**	3,456
Depreciation of right-of-use assets *(Note (iii))*	**4,014**	5,511
(Gain)/loss on disposal of property, plant and equipment *(Note (ii))*	**(212)**	470

Notes:

(i) Included in cost of sales

(ii) Included in other income, gains and losses

(iii) Depreciation charges are recognised in the cost of sales of approximately HK$1,191,000 (six months ended 30 June 2025: approximately HK$2,605,000), distribution and selling costs of approximately HK$3,000 (six months ended 30 June 2025: approximately HK$3,000) and administrative and other expenses of approximately HK$5,948,000 (six months ended 30 June 2025: approximately HK$6,359,000) for the six months ended 30 June 2026.

9. DIVIDENDS

No dividend was paid or declared during the interim period. The Board has resolved not to declare an interim dividend for the period.

10. LOSS PER SHARE

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

	For six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company for the purposes of calculating basic and diluted loss per share *(HK$'000)*	**(22,095)**	(40,161)
		(restated)
Number of shares		
Weighted average number of ordinary shares at 30 June	**160,342,788**	126,977,664

The weighted average number of ordinary shares in issue in the respective periods has been adjusted for the Share Consolidation which became effective on 25 March 2026 and bonus element in the Rights Issue which took place on 11 May 2026.

Diluted loss per share

Diluted loss per share per each of the two period ended 30 June 2026 and 2025 respectively are the same as the basic loss per share because there were no dilutive potential ordinary shares during both periods.

11. LOAN RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Loans receivables *(Note (i))*	**12,989**	12,989
Loans and interest receivables due from former subsidiaries *(Note (ii))*	**1,189,035**	1,124,755
	1,202,024	1,137,744
Less: allowance for doubtful debts *(Note (iii))*	**(1,202,024)**	(1,137,744)
	–	–

Notes:

(i) As at 30 June 2026 and 31 December 2025, the Group had loan receivable amounting to HK$12,989,000 from a third party. The loan was unsecured and bore interest at 1.2% (31 December 2025: 1.2%) per annum. This loan receivable was fully impaired as at 30 June 2026 and 31 December 2025.

(ii) During the year ended 31 December 2019, the Group disposed of the entire equity interest in Speed Connection Group Limited (the "**Disposal**"), and since then, the loan receivables from Speed Connection Group Limited and its subsidiary, MyHD Media FZ LLC ("**MyHD**") were classified as loan receivables due from former subsidiaries.

The loan receivables due from former subsidiaries were arising from the disposal of all interests in MyHD and the extension of the existing loans to MyHD. The amounts due were unsecured, interest-bearing at rates ranged from 3 months London inter-bank offered rates ("**LIBOR**") plus 100 basis point per annum to 10% per annum and were matured on 31 December 2020.

The principal amounts of these loan receivables at the date of the Disposal were US$71,298,000 (equivalent to approximately HK$559,182,000), in which amount of US$9,554,000 (equivalent to approximately HK$74,931,000) due from Speed Connection Group Limited, bore interest rate at 3 months LIBOR plus 100 basis points per annum; and amount of US$51,244,000 (equivalent to approximately HK$401,901,000) and amount of US$10,500,000 (equivalent to approximately HK$82,350,000) due from MyHD (the non-wholly owned subsidiary of Speed Connection Group Limited), bore interest rate at 10% per annum and at 3 months LIBOR plus 100 basis points per annum respectively, and the corresponding interest receivables were US$11,728,000 (equivalent to approximately HK$91,982,000). These loan receivables and the interest receivables, net of the provision of expected credit losses of approximately HK$219,103,000 as at the date of the Disposal, amounted to approximately HK$429,410,000 were recognised as loan receivables upon the Disposal.

In December 2019, management was given to understand that Speed Connection Group Limited and MyHD were in serious financial problem and ceased to operate in late 2019. As such, management considered these loan receivables were credit-impaired and recognised lifetime expected credit losses of the total net carrying amount of these loan receivables of approximately HK$429,410,000 at 31 December 2019.

The provision of expected credit losses was determined by the management of the Group based on the creditworthiness and the past collection history of the borrowers.

(iii) Allowances for doubtful debts

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
At the beginning of period/year	**1,137,744**	1,038,128
Unwinding of discount	**55,410**	97,174
Exchange realignment	**8,870**	2,442
At the end of period/year	**1,202,024**	1,137,744

12. TRADE, BILLS AND OTHER RECEIVABLES

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Trade and bills receivables	**58,717**	87,729
Other receivables	**87,711**	90,417
Total trade, bills and other receivables	**146,428**	178,146

Represented by:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
Non-current assets	**164**	3,446
Current assets	**146,264**	174,700
	146,428	178,146

The Group allows an average credit period of 60 to 120 days to its trade customers. The following is an ageing analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0-30 days	**55,037**	78,332
31-90 days	**7,217**	14,078
91-180 days	**4,591**	2,485
More than 180 days	**86,645**	100,592
	153,490	195,487
Less: loss allowance	**(94,773)**	(107,758)
	58,717	87,729

Based on the Group's assessment, a provision for expected credit losses on trade receivables of HK$2,105,000 (six months ended 30 June 2025: HK$1,571,000) was recognised to the statement of profit or loss during the period.

13. AMOUNT DUE FROM/LOAN TO AN ASSOCIATE

		30 June 2026	31 December 2025
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(audited)
Current assets			
Loan to an associate	*(i)*	**5,330**	5,330
Trade receivables	*(ii)*	**9,382**	9,609
Interest receivable on loan receivables		**1,329**	1,213
Amount due from an associate		**10,711**	10,822

Notes:

(i) The loan is unsecured and bears interest at a fixed rate of 4.75% (31 December 2025: 4.75%) per annum. The loan to an associate will mature on 31 December 2026 (2025: 31 December 2025).

(ii) The amount due from an associate is unsecured and interest-free. The Group allows a credit period of 360 days.

The following is an ageing analysis of trade receivables due from an associate, presented based on the invoice date, at the end of the reporting period:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
More than 360 days	**9,382**	9,609

Based on the Group's assessment, the reversal of expected credit losses on trade receivables due from an associate of HK$373,000 (six months ended 30 June 2025: provision for expected credit losses HK$720,000) was recognised in to the statement of profit or loss during the period.

14. TRADE, BILLS AND OTHER PAYABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade payables	**186,167**	170,150
Bills payables	**2,466**	426
	188,633	170,576
Deposits received	**71,552**	66,430
Other payables and accruals *(Note)*	**174,463**	128,320
Total trade, bills and other payables	**434,648**	365,326

The following is an ageing analysis of trade and bills payables, presented based on the invoice date at the end of the reporting periods:

	30 June 2026 *HK$'000* **(unaudited)**	31 December 2025 *HK$'000* (audited)
0-30 days	**58,779**	123,613
31-90 days	**39,377**	7,305
91-360 days	**42,247**	13,888
More than 360 days	**48,230**	25,770
	188,633	170,576

The average credit period for purchases of goods is 90 days.

Note: For the year ended 31 December 2025, an amount due to a director of HK$990,000 which was included in other payables. It is unsecured, interest free and repayable on demand.

15. PROVISION FOR FINANCIAL GUARANTEE

The Company had pursuant to the guarantee (the "**Guarantee**") given in favour of MyHD irrevocably guaranteed to pay all financial obligations of MyHD in relation to the third amendment agreement to the content supply agreement (the "**Content Supply Agreement**") dated 3 October 2016 which was entered into between MyHD and MBC FZ LLC. The Guarantee does not expire and the maximum amount payable by the Company under the Guarantee should not exceed US$3,500,000 (equivalent to approximately HK$27,332,000).

The Guarantee does not contain any conditions which need to be fulfilled or any circumstances which must arise before MyHD can enforce the same and demand payment from the Company. Notwithstanding that MyHD failed to observe all its payment obligations under the third amendment agreement to the Content Supply Agreement, since the date of the Guarantee up to the reporting date, the Company has not received any demand for payment from MyHD under the Guarantee.

At 30 June 2026 and 31 December 2025, the Group had recognised the provision for financial guarantee amounting to US$3,500,000 (equivalent to approximately HK$27,332,000) in relation to the Guarantee.

REVIEW OF FINANCIAL POSITION

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the overall cash and cash equivalent of the Group was approximately HK$122.5 million (31 December 2025: approximately HK$76.5 million). The Group managed its capital structure and liquidity to finance its operations by using bank and other borrowings and funds generated from operations.

The Group's current ratio (ratio of current assets to current liabilities) was 0.53 as at 30 June 2026 (31 December 2025: 0.49).

As at 30 June 2026, the Group's total borrowings were approximately HK$279.4 million (31 December 2025: approximately HK$386.0 million), out of which approximately HK$130.7 million (31 December 2025: approximately HK$214.7 million) were due within one year and the rest of approximately HK$148.7 million (31 December 2025: approximately HK$171.3 million) were due over one year. Approximately 38.06% of the Group's bank and other borrowings were denominated in US dollars ("**US$**") and the rest of them were denominated in Renminbi ("**RMB**"), Vietnamese Dongs and New Taiwan dollars. The effective interest rates on the Group's variable interest rate bank and other borrowings ranged from 1.3% to 12.0% per annum for the six months ended 30 June 2026. The gearing ratio (total borrowings over total assets of the Group) decreased from approximately 55.34% as at 31 December 2025 to approximately 39.06% as at 30 June 2026.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2026, the Group's general banking facilities (including bank loans and other borrowings) were secured by the following assets of the Group: (i) bank deposits of approximately HK$4.5 million, (ii) property, plant and equipment with a carrying value of approximately HK$5.2 million, (iii) investment properties of approximately HK$365.8 million, (iv) trade receivables of approximately HK$24.9 million and (v) pledge of the Company's interest in Pro Brand Technology, Inc.

CAPITAL REORGANISATION AND RIGHTS ISSUE

References are made to the announcements of the Company dated 24 October 2025, 14 November 2025, 25 November 2025, 5 December 2025, 8 December 2025, 24 December 2025, 16 January 2026, 6 February 2026, 12 February 2026, 23 March 2026, 24 March 2026, 27 April 2026 and the circular of the Company dated 27 February 2026 in relation to, among other things, the capital reorganisation and Rights Issue of the Company and the prospectus of the Company dated 9 April 2026 (the "**Rights Issue Prospectus**") in relation to, among other things, the Rights Issue. Unless otherwise specified herein, capitalised terms used herein shall have the same meanings as those defined in the Rights Issue Prospectus.

The capital reorganisation of the share capital of the Company involving (i) the Share Consolidation, (ii) the Capital Reduction, (iii) the Share Subdivision, (iv) the Share Premium Reduction, and (v) the transfer of all the credit arising from the Capital Reduction and Share Premium Reduction to the contributed surplus account of the Company (the "**Capital Reorganisation**"). Whereby, the Share Consolidation, the Capital Reduction and the Share Premium Reduction on the basis that every ten issued and unissued Existing Shares of a par value of HK$0.10 each shall be consolidated into one Consolidated Share of a par value of HK$1.00 each in the share capital of the Company. Immediately after the Share Consolidation and Capital Reduction, the issued share capital of the Company was reduced by (i) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (ii) cancelling the paid up capital of the Company to the extent of HK$0.90 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share was reduced from HK$1.00 to HK$0.10. The credit arising from the Capital Reduction was credited to the contributed surplus account of the Company within the meaning of the Companies Act and then was applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reorganisation, thereby reducing the accumulated losses of the Company. The Capital Reorganisation was approved by the Shareholders at the Special General Meeting held on 23 March 2026 and became effective on 25 March 2026.

As a result, the amount of HK$110,736,335.25 standing to the credit of the share premium account of the Company was reduced to nil and that the credit arising therefrom was transferred to the contributed surplus account of the Company.

Upon the Capital Reorganisation becoming effective, according to the Rights Issue Prospectus, the Company proposed to issue 123,040,372 Rights Shares by way of Rights Issue, on the basis of one Rights Shares for every one Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$0.75 per Rights Share.

The Rights Issue was completed on 11 May 2026, and an aggregate of 122,350,771 Rights Shares were allotted and issued to the Qualifying Shareholders accordingly, which carried an aggregate nominal value of HK$12,235,077.10. The gross proceeds raised from the Rights Issue (before expenses) were approximately HK$91.8 million and the net proceeds from the Rights Issue after deducting the relevant expenses were approximately HK$88.9 million. The net price per Rights Share was approximately HK$0.723. The Company intended to apply the net proceeds from the Rights Issue for partial repayment of outstanding loans of the Company and general working capital of the Group. As at the date of this announcement, the Company had fully utilised the net proceeds in accordance with the said intention. Details of the results of the Rights Issue are disclosed in the announcement of the Company dated 8 May 2026.

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

Saved as disclosed in the section headed "COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO THE REDEVELOPMENT", there were no significant investments held as at 30 June 2026 nor were there other plans for material investments on capital assets as at the date of this announcement.

FOREIGN EXCHANGE EXPOSURE

The Group's sales and purchases were denominated mainly in US$ and RMB. The Group was exposed to certain foreign currency exchange risks but it does not expect future currency fluctuations to cause material operation difficulties because the recent pressure from depreciation of RMB was manageable. However, the management continuously assesses the foreign exchange risks, with an aim to minimise the impact of foreign exchange fluctuations on business operations. For the six months ended 30 June 2026, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

LITIGATIONS

Lawsuit in India

In October 2020, Aggressive Digital Systems Private Ltd. ("**AD**", a non-wholly owned subsidiary of the Company) received a summons to the National Company Law Tribunal ("**NCLT**") at Chandigarh in India that was filed by Aggressive Electronics Manufacturing Services Private Limited ("**AEMS**", a minority shareholder of AD) and Mr. Neeraj Bharara (collectively the "**Petitioners**") against Top Dragon Development Limited (a wholly owned subsidiary of the Company and the shareholder of AD), AD and certain directors of AD (collectively the "**Respondents**") alleging that the Respondents made undue acts either of oppression or mismanagement and claiming for losses caused to the Petitioners arising from such undue acts. The last hearing was originally scheduled on 30 April 2026 at NCLT and was further adjourned. The date of next hearing is scheduled on 1 October 2026.

After consulting the Company's legal counsel in India and taking into account the possible factors including, but not limited to, the possible amount involved in the case, the Board considered that it is not probable that the Group will incur any material losses resulting from this litigation. Accordingly, no provision was made in the consolidated financial statements of the Group as at 30 June 2026 and 31 December 2025.

SUBSEQUENT EVENTS

With effect from 9 July 2026, Mr. Xu Haohao was appointed as an executive Director and the Chairman of the Board, while Mr. Kuo Jen Hao ceased to be the Chairman of the Board and remained as a non-executive Director.

With effect from 31 July 2026, the address of the Company's head office was changed to Industrial Zone No. 3, No. 16 Qianjin Erlu, Xin Qian Jin Village, Tanzhou Town, Zhongshan, Guangdong Province, the PRC, and the Company's principal place of business in Hong Kong was changed to 31/F, 148 Electric Road, North Point, Hong Kong.

Save as disclosed above, there were no other material subsequent events after 30 June 2026 and up to the date of this announcement.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

This decision reflects the Board's commitment to preserving funds for future strategic initiatives and operational needs, ensuring the Company remains well-positioned for long-term growth and resilience.

DISPOSAL OF ALL INTERESTS IN MYHD AND CONTINUATION OF LOANS AND GUARANTEE

References are made to the announcement of the Company dated 31 December 2018 (the "**Announcement**") and the circular of the Company dated 25 May 2019 (the "**Circular**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement and in the Circular. On 31 December 2018, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital of the Target Company, at the nominal consideration of US$1 with effect from the Transaction Date. The Target Company was a wholly-owned subsidiary of the Company and indirectly held 51% interests in MyHD. All the Conditions set out in the Agreement had been satisfied and the Disposal was completed on 25 June 2019.

The Vendor had agreed with the Purchaser under the Agreement to procure that the Existing Loans shall continue to be advanced by the Company or SMT (as the case may be) to the Target Company and/or MyHD (as the case maybe) under the then existing arrangements notwithstanding the Completion taking place. Such arrangement confers the right to the Company or SMT (as the case may be) to receive the payments for the Existing Loans from the Target Company and/or MyHD (as the case may be) when the financial positions of the Target Company and/or MyHD (as the case may be) improve and have sufficient cash to settle the Existing Loans. As at 30 June 2026, there were Existing Loans which have been past due in the aggregate amount of US$151,586,000 comprising aggregate principal amount of US$71,298,000 and aggregate accrued interest (calculated based on the terms of agreements of Existing Loans) of US$80,288,000 owing by the Target Company and/or MyHD to the Company and/or SMT (as the case may be), the particulars of which are as follows:

Lenders	**Debtors**	**Prevailing interest rate**	**Maturity date**	**Principal amount outstanding as at 30 June 2026**	**Accrued interest as at 30 June 2026**
SMT	Target Company	3 months LIBOR + 100 basis points *(Note 1)*	31.12.2020	US$9,554,000 (approximately HK$74,931,000)	US$3,922,000 (approximately HK$30,760,000)
SMT	MyHD	3 months LIBOR + 100 basis points *(Note 1)*	30.12.2020	US$10,500,000 (approximately HK$82,350,000)	US$4,050,000 (approximately HK$31,764,000)
SMT	MyHD	10% per annum *(Note 2)*	31.12.2020	US$42,653,000 (approximately HK$334,523,000)	US$60,197,000 (approximately HK$472,119,000)
The Company	MyHD	10% per annum *(Note 2)*	31.12.2020	US$8,591,000 (approximately HK$67,378,000)	US$12,119,000 (approximately HK$95,048,000)
			Total	US$71,298,000 (approximately HK$559,182,000)	US$80,288,000 (approximately HK$629,691,000)

Notes:

1. As a reference, 3 months LIBOR as applicable to these two loans during the period between 1 May 2012 to 30 June 2026 ranged between 0.11775% and 5.54543%.

2. Prevailing interest rate shall be increased to 11% per annum after maturity date.

In December 2019, the Company was given to understand that the Target Company and MyHD were in serious financial problem and ceased to operate in late 2019. As such, the Company considered these loan receivables were credit impaired and full impairment in the amount of HK$646,366,000 was provided as at 31 December 2019. No interest income was recognised on the outstanding loan principal for the six months ended 30 June 2025 and 2026 as the recoverability of such interest receivables is remote.

The Vendor had also agreed that the Guarantee given by the Company to MyHD shall continue for the time being after the Completion. The maximum amount payable by the Company under the Guarantee would not exceed US$3,500,000 (equivalent to approximately HK$27,332,000). Notwithstanding that MyHD ceased its operation in late 2019, the Company has not received any demand for payment from MyHD under the Guarantee. At 30 June 2025 and 2026, the Group had recognised the provision for financial guarantee in the amount of US$3,500,000 (equivalent to approximately HK$27,332,000) in relation to the Guarantee.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Saved as disclosed in this results announcement, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

COOPERATION AGREEMENT AND JV AGREEMENT IN RELATION TO THE REDEVELOPMENT

References are made to (1) the announcement of the Company dated 17 August 2021 (the "**17 August Announcement**") in relation to the cooperation agreement dated 26 July 2021 and entered into between, among others, the Group and Huasuan (the "**Cooperation Agreement**"), and (2) the announcements of the Company dated 19 July 2023 and 10 August 2023 (the "**19 July and 10 August Announcements**") in relation to the joint venture agreement dated 19 July 2023 and entered into between Sandmartin (Zhong Shan) Electronic Co., Ltd.*（中山聖馬丁電子元件有限公司）("**ZSS**"), an indirect wholly-owned subsidiary of the Company and Huasuan (the "**JV Agreement**").

Pursuant to the Cooperation Agreement, Huasuan and ZSS shall cooperate to upgrade certain blocks of factory buildings and dormitories constructed on the Land owned by ZSS and to redevelop some vacant and undeveloped parts of the Land subject to prior consents and planning approvals from the relevant PRC government authorities.

With a view to strengthening the cooperation between the parties, ZSS and Huasuan entered into the JV Agreement to form a joint venture in the form of an unincorporated joint venture under the name of "Huasuan-Sandmartin Intelligent Manufacturing Park"（華算聖馬丁智造園）(the "**Joint Venture**") in the PRC and for the purposes of the Redevelopment and governing the cooperation arrangement.

The sole purpose and business of the Joint Venture is for the Redevelopment. Pursuant to the JV Agreement, the Redevelopment shall be carried out on the Land. The Group shall contribute the Land for the Redevelopment and Huasuan shall be responsible for funding the entire costs for the Redevelopment (save for the Land contributed by ZSS). If required, ZSS as the entity undertaking the Redevelopment shall secure the bank loans (the "**ZSS Development Loan**") used solely for funding the Redevelopment. As stipulated in the JV Agreement, Huasuan has the sole responsibility of repaying the ZSS Development Loan, both loan principal and interests.

* *For identification purpose only*

In relation to the allocation of the properties constructed on the Land, the Group shall continue to be entitled to certain blocks of buildings constructed on the Land as at the date of the JV Agreement (which comprise factory buildings) (the "**Existing Buildings**"), the vacant area and roads covered under the current real estate title certificate issued to the Group. In relation to the new buildings to be constructed on certain parts of the Land which are currently vacant, the Group and Huasuan shall be entitled to 20% and 80%, respectively, of (i) the total gross floor area of the new buildings; and (ii) the corresponding revenue that is generated from the new buildings. In the event where certain parts of the Existing Buildings are to be demolished and redeveloped under the Redevelopment, the Group shall be entitled to (i) firstly, certain gross floor area of the newly built buildings; and (ii) secondly, an additional 5% of the remaining total gross floor area of the newly built buildings. After the aforesaid allocations to the Group, Huasuan shall be entitled to all of the entire balance of the gross floor area.

As continued commitment to the Redevelopment, Huasuan had paid to the Group a cooperation fund amounting to RMB60 million as security deposit (the "**Cooperation Fund**"), and in return, the Group had provided in favour of Huasuan (i) 100% of the shareholding interests in ZSS (the "**Equity Pledge**"), and (ii) one of the three pieces of land parcels within the Land (the "**Land Pledge**") as securities for the Cooperation Fund. Upon the aforesaid allocation of the newly built buildings and the corresponding revenue, the Cooperation Fund shall be refunded by the Group to Huasuan and the Equity Pledge and the Land Pledge shall be released by Huasuan and the Redevelopment is currently under construction.

The Redevelopment is currently under progress and some of the buildings are completed.

In the opinion of the Directors, as at 30 June 2026, the stage of completion of the Redevelopment approximated the status as at 31 December 2025 and no change in fair value was recognised in the condensed consolidated statement of profit or loss for the six months ended 30 June 2026. As at 30 June 2026, the fair value of investment properties recognised under the Redevelopment was RMB318,380,000 (approximately HK$365,790,000) (31 December 2025: RMB318,380,000 (approximately HK$352,502,000)).

For more details, please refer to the 17 August Announcement and the 19 July and 10 August Announcements.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 476 (31 December 2025: 856) fulltime employees. Employees of the Group are remunerated according to their performance and responsibilities. They receive training depending on their scope of works, especially those training relating to workplace health and safety.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The emoluments of the Directors are decided by the Board based on the recommendation of the remuneration committee, having regard to market competitiveness, individual performance and achievement. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management.

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

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries has purchased, sold (including sale of treasury shares, if any) or redeemed any of the Company's listed securities.

As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Group continues to improve its corporate governance practices, emphasising the attainment and maintenance of a quality board, sound risk management and internal controls, and high transparency and accountability to the Shareholders. The Board and the management are committed to the principles of good corporate governance which are consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to the Shareholders and the Group.

During the six months ended 30 June 2026, the Company has applied the principles and has complied with code provisions (the "**Code Provision(s)**") of the section headed "Part 2 – Principles of good corporate governance, code provisions and recommended best practices" of the Corporate Governance Code (the "**Corporate Governance Code**") as contained in Appendix C1 to the Listing Rules, except for the following deviation with reason.

Under Code Provision F.1.3 of the Corporate Governance Code, chairman of the board should attend general meetings.

Mr. Kuo Jen Hao, a non-executive Director and the then chairman of the Board was unable to attend the annual general meeting of the Company held on 30 June 2026 due to his other engagements.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "**Audit Committee**") for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. As at the date of this announcement, the Audit Committee comprises three members, Ms. Chen Wei-Hui (chairperson of the Audit Committee), Mr. Lu Ming-Shiuan and Mr. Wu Chia Ming, all of whom are independent non-executive Directors. The interim financial information for the six months ended 30 June 2026 has not been audited by the independent auditor of the Company. The Audit Committee has reviewed the Group's unaudited condensed consolidated financial statements and the interim report for the six months ended 30 June 2026 and held discussion with the management. Based on the review and the discussion with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the six months ended 30 June 2026.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

This announcement is published on the Company's website (www.sandmartin.com.hk) and the Stock Exchange's website (www.hkexnews.hk).

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all the Shareholders for their support to the Company.

By order of the Board
Sandmartin International Holdings Limited
Xu Haohao
Chairman

Hong Kong, 31 August 2026

As at the date of this announcement, the Directors are:

Executive Directors
Mr. Xu Haohao *(Chairman)*, Mr. Hung Tsung Chin and Mr. Chen Wei Chun

Non-Executive Director
Mr. Kuo Jen Hao

Independent Non-Executive Directors
Mr. Wu Chia Ming, Ms. Chen Wei-Hui and Mr. Lu Ming-Shiuan