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SEM Holdings Limited
澳達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9929)

SUPPLEMENTAL ANNOUNCEMENT
REGARDING PREPAYMENTS TO SUPPLIERS

This announcement is made by SEM Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.13, 13.14, 13.15 and 13.20 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

PREPAYMENTS TO SUPPLIERS

The Group placed purchase orders with certain suppliers to purchase project materials related to electric vehicle charging business and trading cards products in its ordinary and usual course of business from time to time. For each purchase with suppliers, the Group would normally be required to prepay pursuant to respective terms specified in the purchase contracts prior to the delivery of the relevant products (the “**Prepayments**”).

In line with general market practice of the industry, purchase contracts are negotiated and confirmed on a contract-by-contract basis. Each contract specifies the agreed and fixed price, the purchase quantity, the delivery term, and delivery timeline stipulated in the contract, and generally requires full repayment of the total price prior to delivery. The prepayments were without any interest or collateral. Upon delivery of the relevant products, the Prepayments made by the Group would be recognised as cost of inventories. Any unused Prepayments will be carried forward and applied to the subsequent contract with the same supplier.

Following an internal review, the Company identified that certain prepayments made to a supplier (“**Supplier A**”) had exceeded the applicable disclosure threshold under Rule 13.13 of the Listing Rules. The following table sets out details of the aggregate amounts of Prepayments paid to Supplier A as of the date when the Prepayments first exceeded 8% under the assets ratio, and where the increase in the relevant aggregate amount of the further paid Prepayments resulting in 3% or more of the Group’s total assets, as compared to the previous transactions being required to be disclosed pursuant to Rules 13.13, 13.14 and 13.15 of the Listing Rules (the “**Relevant Date**”):

PREPAYMENTS TO SUPPLIER A (Note)

Relevant Date	Approximate balance of prepayments prior to the Relevant Date	The approximate percentage with reference to the Group's total assets as at 31 December 2025	Prepayment amount	Approximate balance of prepayments accumulated as at the Relevant Date	The approximate percentage with reference to the Group's total assets as at 31 December 2025	Subject to Rule13.13 of the Listing Rules	Subject to Rule13.14 of the Listing Rules
24 June 2026	–	–	34,469,173	34,469,173	15.2%	Yes	N/A
30 June 2026	27,670,945	12.2%	22,897,122	50,568,067	22.3%	Yes	Yes

Note Supplier A is Pokémon (Shanghai) Toys Co., Ltd, a third party company established in the People's Republic of China (the “**PRC**”), which serves as a supplier of trading cards to the Group. It's ultimate beneficial owner is The Pokémon Company (株式会社ポケモン) of Japan. To the best of the knowledge and belief of the directors of the Company (the “**Directors**”), after making all reasonable enquiries, Supplier A and its ultimate beneficial owners are not connected persons of the Company and are independent of and not connected with the Directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates.

The Group has performed background and credit risk assessment on the suppliers including Supplier A by (a) conducting research on their identity background, and purpose of the prepayment; (b) reviewing and assessing their business operations, financial conditions, and creditworthiness; and (c) reviewing internal data on past transactions, including delivery timelines, to monitor the performance of the Suppliers. The Group has also implemented ongoing monitoring procedures for its suppliers, including regular site visits, public record searches, and adverse news and regulatory checks, which are performed at least annually to ensure a clear understanding of their latest business development and management conditions of the suppliers.

All the Prepayments including the Prepayments made to Supplier A were subsequently utilised for purchases of inventories and unutilised amounts were refunded. No impairment loss was recognised. The Directors consider that the Prepayments made from time to time were on normal commercial terms and in the ordinary course of business of the Group.

REASONS AND BENEFITS OF THE PREPAYMENTS

The Prepayments including the Prepayments made to Supplier A enable the Group to secure a stable and timely supply of the relevant project materials and products. By making Prepayments to the suppliers, the Group is able to mitigate the risk of operational disruption arising from fluctuations in the supply and market prices of such products and materials. In view of the above, the Directors consider that the Prepayments including the Prepayments made to Supplier A were made on normal commercial terms and in the ordinary and usual course of business of the Group.

SUPPLEMENTAL INFORMATION RELATING TO THE INTERIM REPORT

In addition to the information disclosed in the Company's interim report for the six months ended 30 June 2026, the Directors would like to provide the following details of the outstanding Prepayments for the purchase of trading cards products, which exceeded 8% of the Group's total assets as at 30 June 2026, pursuant to the disclosure requirements under Rule 13.20 of the Listing Rules:

Interim Report for the six months ended 30 June 2026:

Supplier	Approximate balance of prepayments as at 30 June 2026	The approximate percentage of the Group's total assets as at 30 June 2026	Terms
Supplier A	50,568,067	20.6%	No interest and collateral. Settled by delivery of relevant products in 7 business days and recognized as cost of inventories upon delivery

LISTING RULES IMPLICATIONS

As the Prepayments to Supplier A exceeded 8% of the Group's total assets as of the relevant dates, or where the increase in the relevant aggregate amount of the Prepayments further paid to the Suppliers resulting 3% or more of the Group's total assets, the Company should be required to announce the details of this advance to an entity in accordance with Rules 13.13, 13.14 and 13.15 of the Listing Rules. Where the circumstances giving rise to the disclosure under Rule 13.13 of the Listing Rules exist at the Company's interim period ended 30 June 2026, the Company should comply with the relevant disclosure requirements under Rule 13.20 of the Listing Rules in the interim report. However, since the Prepayments were paid in the ordinary course of business, the management considered that the Prepayments were not loans or other kind of financial assistance to any party which constituted an advance to an entity under Rule 13.13, 13.14 and 13.15 of the Listing Rules. As such, the Directors consider that the non-compliance incident is a one-off misinterpretation of the application of the Listing Rules.

REMEDIAL ACTIONS

As of the date of this announcement, in order to avoid the recurrence of similar non-compliance in the future, the following remedial measures have been taken by the Group to ensure that the Listing Rules, including Rules 13.13, 13.14, 13.15 and 13.20 of the Listing Rules, is complied with:

- (1) the Company will arranged a training on the Listing rules (in particular Chapter 13 of the Listing Rules) by an external legal advisor, for Directors, the Company secretary, and the chief financial officer to enhance and reinforce their understanding of the Listing Rules before 31 December 2026.
- (2) the Company will provide ongoing quarterly training and guidance materials to the Directors and its management team, in particular, the finance team, to strengthen and reinforce their knowledge and understanding relating to disclosure requirements under the Listing Rules, in particular Rules 13.13, 13.14, 13.15 and 13.15A of the Listing Rules, as well as their ability to identify potential issues at an early stage;
- (3) The Company will immediately implement an automated advance payment monitoring system. The system will automatically extract advance payment amounts from the accounting system of each subsidiary and compute the consolidated total advance payment balance on a real-time basis. An automated alert will be triggered whenever the aggregate advance payment balance approaches the 8% threshold, thereby enabling the relevant personnel to assess, before any further payment is made, whether the proposed payment would constitute a notifiable transaction requiring announcement under the Listing Rules. The automated monitoring system will be fully operational by the end of November 2026 and will operate on an ongoing basis. Until the system is fully operational, the relevant personnel will manually compute the consolidated total advance payment balance on a daily basis; and
- (4) the Company will continue to seek external legal or other professional advice as and when necessary for any actions required to be taken in relation to regulatory compliance.

Having considered the nature of the remedial measures, the enhanced internal control framework, the strengthened reporting process, and the results of the Board's review, the Board is of the view that the above measures are adequate and effective in preventing the recurrence of similar non-compliance incidents in the future.

By Order of the Board
SEM Holdings Limited
Mr. Yao Shuobin
Chairman and Non-executive Director

Hong Kong, 23 September 2026

At the date of this announcement, the Board comprises Liang Meifeng 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.