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SMC ELECTRIC LIMITED
蜆殼電業有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2381)**

# ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

## UNAUDITED INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of SMC Electric Limited (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026, together with the unaudited comparative figures for the six months ended 30 June 2025 and certain comparative figures as at the end of the last audited financial year ended 31 December 2025. The condensed consolidated statement of comprehensive income of the Group for the six months ended 30 June 2026 and the condensed consolidated statement of financial position of the Group as at 30 June 2026, along with selected explanatory notes have not been audited, but have been reviewed by the Company's audit committee.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2026*

| | Notes | **Six months ended 30 June 2026 HK$'000 (Unaudited)** | Six months ended 30 June 2025 HK$'000 (Unaudited) |
|---|---|---|---|
| **Revenue** | *4* | **95,839** | 129,981 |
| Cost of revenue | | **(80,651)** | (97,252) |
| **Gross profit** | | **15,188** | 32,729 |
| Other income | | **2,513** | 5,029 |
| Selling and distribution expenses | | **(709)** | (855) |
| Administrative and other operating expenses | | **(19,902)** | (22,933) |
| Other (losses)/gains | | **(332)** | 1,531 |
| Finance costs | | **(83)** | (181) |
| **(Loss)/Profit before income tax** | *5* | **(3,325)** | 15,320 |
| Income tax expense | *6* | **(10)** | (2,424) |
| **(Loss)/Profit for the period attributable to owners of the Company** | | **(3,335)** | 12,896 |
| **Other comprehensive income** | | | |
| *Item that may be reclassified subsequently to profit or loss* | | | |
| Exchange difference arising from translation of operations outside Hong Kong | | **982** | 29 |
| **Total comprehensive income for the period attributable to owners of the Company** | | **(2,353)** | 12,925 |
| | | ***HK Cents*** | *HK Cents* |
| **(Loss)/Earnings per share** | *8* | | |
| – Basic and diluted | | **(0.167)** | 0.645 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2026*

| | Notes | 30 June 2026 HK$'000 (Unaudited) | 31 December 2025 HK$'000 (Audited) |
|---|---|---|---|
| **ASSETS AND LIABILITIES** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | | **10,545** | 6,391 |
| Right-of-use assets | | **1,774** | 3,512 |
| Prepayments for acquisition of property, plant and equipment | | **7,027** | 9,481 |
| Deferred tax assets | | **327** | 327 |
| | | **19,673** | 19,711 |
| **Current assets** | | | |
| Inventories | | **33,307** | 24,166 |
| Trade and other receivables, deposits and prepayments | *9* | **66,923** | 70,353 |
| Tax prepaid | | **988** | 988 |
| Cash and bank balances | | **52,495** | 70,953 |
| | | **153,713** | 166,460 |
| **Current liabilities** | | | |
| Trade and other payables and accruals | *10* | **47,556** | 55,232 |
| Lease liabilities | | **1,850** | 3,611 |
| Amounts due to fellow subsidiaries | | **985** | 1,318 |
| Tax payable | | **–** | 4 |
| | | **50,391** | 60,165 |
| **Net current assets** | | **103,322** | 106,295 |
| **Total assets less current liabilities** | | **122,995** | 126,006 |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | **–** | 658 |
| **Net assets** | | **122,995** | 125,348 |
| **CAPITAL AND RESERVES** | | | |
| Share capital | *11* | **20,000** | 20,000 |
| Reserves | | **102,995** | 105,348 |
| **Total equity** | | **122,995** | 125,348 |

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

*For the six months ended 30 June 2026*

### 1. GENERAL INFORMATION

SMC Electric Limited was incorporated on 5 December 2018 in the Cayman Islands as an exempted company with limited liability. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 2 June 2020.

The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is located at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities carried out by the Company and its subsidiaries are manufacturing and selling of electric tools and sourcing and selling of electric fans.

The Directors of the Company consider its ultimate holding company to be Shell Electric Holdings Limited, a company incorporated in Bermuda.

### 2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required for the preparation of the annual financial statements in accordance with HKFRS Accounting Standards, which collective term includes individual Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**") and Interpretations, as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. Therefore, it should be read in conjunction with the consolidated financial statements for the year ended 31 December 2025 (the "**Annual Report 2025**").

The unaudited condensed consolidated interim financial information has been prepared under the historical cost basis and presented in Hong Kong Dollars ("**HK$**"), which is the same as the functional currency of the Company and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies and methods of computation as adopted by the Group in the Annual Report 2025 except for the adoption of new and amendments to HKFRS Accounting Standards as mentioned in note 3.

In preparing the unaudited condensed consolidated interim financial information, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Annual Report 2025.

## 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### 3.1 Adoption of amendments to HKFRS Accounting Standards – effective on 1 January 2026

During the current period, the Group has applied for the first time the following amendments to HKFRS Accounting Standards, which are relevant to and effective for the Group's unaudited condensed consolidated financial statements for the 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 Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 |
| Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 | Disclosures about Uncertainties in the Financial Statements (amendments) |

Except for mentioned below, the directors consider that the adoption of above amendments to HKFRS Accounting Standards does not have any significant impact on the Group's financial result and financial position.

***Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments***

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight.

### 3.2 New HKFRS Accounting Standards that have been issued but are not yet effective

The following new HKFRS Accounting Standards, potentially relevant to the Group's unaudited condensed consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group in the preparation of the unaudited condensed consolidated financial statements.

| | |
|---|---|
| HKFRS 18 | Presentation and Disclosure in Financial Statements |

Effective for annual periods beginning on or after 1 January 2027

The directors anticipate that the above pronouncement will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible impact of the new HKFRS Accounting Standards on the Group's results and financial position and/or the disclosures to the unaudited condensed consolidated financial statements upon initial application.

***HKFRS 18 – Presentation and Disclosure in Financial Statements***

HKFRS 18 will replace HKAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosures are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's financial statements. Based on preliminary assessment, the line items presented in the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. Moreover, there will be significant new disclosures required for management-defined performance measures. HKFRS 18 is effective for annual periods beginning on or after 1 January 2027. The Group will apply HKFRS 18 retrospectively and will be required to present comparative information in accordance with HKFRS 18 in the period of initial application.

## 4. REVENUE

The Group is principally engaged in the manufacturing and selling of electric tools and sourcing and selling of electric fans. Sales from the principal activities represent revenue from contracts with customers within the scope of HKFRS 15 *Revenue from contracts with customers*, which is recognised at a point in time and comprise:

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Sales of electric fans and electric tools: | | |
| – Fans | **46,027** | 68,675 |
| – Vacuum cleaners | **34,403** | 49,219 |
| – Work lights | **15,320** | 12,087 |
| – Others | **89** | – |
| | **95,839** | 129,981 |

## 5. (LOSS)/PROFIT BEFORE INCOME TAX

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| (Loss)/Profit before income tax is arrived at after charging: | | |
| Cost of inventories recognised as expense | | |
| – Carrying amount of inventories consumed | **80,557** | 96,817 |
| – Allowance for inventories | **94** | 435 |
| | **80,651** | 97,252 |
| Depreciation of property, plant and equipment | **1,248** | 838 |
| Depreciation of right-of-use assets | **1,768** | 1,746 |
| Employee benefit expenses (including Directors' emoluments): | | |
| – Salaries, wages and other benefits | **15,083** | 18,931 |
| – Contribution to defined contribution retirement plans | **701** | 754 |
| | **15,784** | 19,685 |

## 6. INCOME TAX EXPENSE

The amount of income tax expense in the unaudited condensed consolidated statement of comprehensive income represents:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Unaudited) |
| Current tax | | |
| – Hong Kong Profits Tax | **–** | 1,583 |
| – Other regions of the People's Republic of China ("**the PRC**") | | |
| – Enterprise Income Tax ("**EIT**") | **683** | 1,030 |
| – Over provision in respect of prior periods | **(15)** | (189) |
| | **668** | 2,424 |
| Deferred tax | **(658)** | – |
| Income tax expense | **10** | 2,424 |

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to income tax in the Cayman Islands.

Hong Kong Profits Tax was calculated at 16.5% (2025: 16.5%) on the estimated assessable profits derived from Hong Kong for the period.

EIT arising from other regions of the PRC was calculated at 25% (2025: 25%) on the estimated assessable income for the period.

## 7. DIVIDEND

Final dividend of HK$0.005 per ordinary share, amounting to HK$10,000,000, in respect of 2025, was proposed by the Directors and was approved by the shareholders in the annual general meeting held on 11 June 2026.

The Board did not recommend any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.005 per share amounting to HK$10,000,000).

Subsequent to the end of the reporting period, the Board has resolved to declare a conditional special dividend of HK$0.04575 per share amounting to HK$91,500,000 (the "**Special Dividend**"). The payment of the Special Dividend is conditional upon the completion (the "**Completion**") has taken place pursuant to the sale and purchase agreement dated 31 July 2026. Further details of the declaration and payment of the Special Dividend are set out in the Company's announcement dated 13 August 2026 and the below section "Management Discussion And Analysis".

## 8. LOSS/EARNINGS PER SHARE

### (a) Basic loss/earnings per share

The calculation of the basic loss per share (2025: earnings per share) attributable to the owners of the Company 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 period attributable to owners of the Company | **(3,335)** | 12,896 |

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **Number of shares** | Number of shares |
| | ***'000*** | *'000* |
| | **(Unaudited)** | (Unaudited) |
| **Number of shares:** | | |
| Weighted average number of ordinary shares in issue during the period | **2,000,000** | 2,000,000 |

The weighted average number of ordinary shares used for the purpose of calculating basic loss/earnings per share represented the weighted average number of ordinary shares in issue during the period.

**(b) Diluted loss/earnings per share**

The diluted loss/earnings per share is the same as the basic loss/earnings per share for the six months ended 30 June 2026 and 2025 as there were no dilutive potential ordinary shares in issue during both periods.

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Audited) |
| Trade receivables | **55,956** | 60,562 |
| Less: Provision for impairment | **(488)** | (699) |
| Trade receivables, net | **55,468** | 59,863 |
| Other receivables | **8,133** | 5,188 |
| Deposits and prepayments | **3,322** | 5,302 |
| | **66,923** | 70,353 |

The ageing analysis of the trade receivables (gross), based on invoice date, as of the end of each reporting period is as follows:

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Audited) |
| 0 to 30 days | **18,219** | 18,080 |
| 31 to 60 days | **8,446** | 12,446 |
| 61 to 90 days | **12,895** | 12,753 |
| Over 90 days | **16,396** | 17,283 |
| | **55,956** | 60,562 |

The Group normally allows a credit period of 0 to 120 days to its customers.

## 10. TRADE AND OTHER PAYABLES AND ACCRUALS

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Audited) |
| Trade payables | **23,302** | 30,298 |
| Accruals and other payables | **23,911** | 24,929 |
| Contract liabilities | **343** | 5 |
| | **47,556** | 55,232 |

Credit periods granted by suppliers normally range from 0 to 120 days.

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

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| | **(Unaudited)** | (Audited) |
| 0 to 30 days | **7,594** | 14,594 |
| 31 to 60 days | **3,264** | 3,752 |
| 61 to 90 days | **1,073** | 2,537 |
| Over 90 days | **11,371** | 9,415 |
| | **23,302** | 30,298 |

## 11. SHARE CAPITAL

Details of the authorised and issued and fully paid share capital of the Company as of 31 December 2025 and 30 June 2026 are summarised as follows:

| **Ordinary shares** | **Par value** | **Number of ordinary shares** | **Amount** |
|---|---|---|---|
| | *HK$* | | *HK$'000* |
| **Authorised:** | | | |
| At 1 January 2025, 31 December 2025 (audited) and 30 June 2026 (unaudited) | 0.01 | 5,000,000,000 | 50,000 |
| **Issued and fully paid:** | | | |
| At 1 January 2025, 31 December 2025 (audited) and 30 June 2026 (unaudited) | 0.01 | 2,000,000,000 | 20,000 |

## MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

In the first half of 2026, the Group's sales decreased compared to last year. The electric fan business was affected by the Iran War, leading to substantial decline in sales in the Middle East market. Other fan markets were relatively stable and gross profit could be maintained. For the electric tools business, escalating costs of raw materials and long lead time had led to cutback in order fill rate and therefore affecting sales.

Looking forward, year 2026 continues to be challenging. We remain optimistic as we anticipate a stable customer demand.

## FINANCIAL REVIEW

### Revenue and Operating Results

Revenue from the Group's operations for the six months ended 30 June 2026 amounted to HK$95.8 million, representing a decrease of HK$34.2 million or 26.3% as compared to HK$130.0 million for the corresponding period in 2025. Such decrease was primarily attributable to the weakened market demand arising from the challenging economic environment, which led to a reduction in customer orders. In addition, the conflicts between the United States and Iran, which resulted in the temporary cessation of sales to the Middle East market, and certain new product originally scheduled for the first half of the year due to the updating of to the product design resulted in the relevant delivery (and hence the revenue recognition) being deferred to the second half of the year.

The Group's gross profit for the six months ended 30 June 2026 amounted to HK$15.2 million, representing a decrease of HK$17.5 million as compared to HK$32.7 million for the corresponding period in 2025. The gross profit margin for the six months ended 30 June 2026 was 15.9%, representing a decrease of 9.3 percentage points compared to 25.2% for the corresponding period in 2025. The decrease in gross profit for the period was mainly attributable to the decrease in sales and increase in raw material costs of electric tools.

Loss attributable to the owners of the Company for the six months ended 30 June 2026 was HK$3.3 million as compared to a profit attributable to the owners of the Company of HK$12.9 million for the six months ended 30 June 2025. The turnaround from profit to loss was primarily attributable to a significant decline in gross profit as mentioned above.

**Liquidity, Financial Resources and Capital Structure**

The Group has adequate liquidity and financial resources to meet its working capital requirements and other financial obligations in the second half of the financial year. The Group will continue to follow a prudent treasury policy and maintain a healthy financial and liquidity position to pursue the Group's future business development. As at 30 June 2026, the Group's total cash and bank balances amounted to approximately HK$52.5 million (31 December 2025: HK$71.0 million) which is mainly denominated in United States Dollars ("**US$**").

As at 30 June 2026, the current ratio of the Group was approximately 3.05 times (31 December 2025: approximately 2.77 times).

The capital of the Group comprises only ordinary shares. As at 30 June 2026, there were 2,000,000,000 ordinary shares in issue. There has been no change in the Company's capital structure since the date of listing and up to the date of this announcement.

**Foreign Exchange Exposure**

The Group mainly operates in Hong Kong, the PRC and Vietnam. The functional currencies of the Company and the Group's operating entities are mainly HK$ and Renminbi ("**RMB**") with certain of their business transactions being settled in US$. The Group is thus exposed to currency risk arising from fluctuation on exchange rates of foreign currencies, primarily HK$, RMB and US$ against the functional currencies of the relevant operating entities. During the period, the Group does not have a foreign currency hedging policy, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

**Gearing Ratio**

The gearing ratio of the Group (expressed as a percentage of total bank borrowings net of cash and bank balances to total equity of the Group) as at 30 June 2026 was nil (31 December 2025: Nil) as the Group did not have any bank borrowings at the respective period end.

### Capital Expenditure and Capital Commitments

During the six months ended 30 June 2026, the Group incurred capital expenditure of approximately HK$2.6 million for purchases of property, plant and equipment and prepayments for acquisition of property, plant and equipment (six months ended 30 June 2025: approximately HK$0.2 million).

As at 30 June 2026, the Group had total capital commitments of approximately HK$3.4 million (31 December 2025: HK$4.9 million) for the acquisition of property, plant and equipment.

### Contingent Liabilities

The Directors confirm that there were no material contingent liabilities as at 30 June 2026 (31 December 2025: Nil).

### Significant Investment/Material Acquisition and Disposal

During the six months ended 30 June 2026, the Group had not made any significant investments or material acquisitions and disposal of subsidiaries.

### Employees and Remuneration Policy

As at 30 June 2026, the total number of employees of the Group was 113 (31 December 2025: 110), which were stationed in the PRC, Hong Kong and Vietnam. The Group regularly reviews remuneration and benefits to its employees according to the relevant market practices and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance, employee provident fund schemes and discretionary incentive.

## PLEDGE ON ASSETS

As at 30 June 2026, the Group did not have any assets which were pledged as security for the Group's borrowings (31 December 2025: Nil).

## SHARE OPTION SCHEME

The Company has a share option scheme which was approved and adopted by the shareholder of the Company on 29 April 2020.

No share option has been granted under the share option scheme since its adoption.

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

During the six months ended 30 June 2026, neither the Company, nor any of its subsidiaries has purchased, sold, or redeemed any of the Company's listed securities (including the sale of treasury shares). The Company did not hold any treasury shares as at 30 June 2026.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2026.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

## 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 its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management and relevant employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2026. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the period under review.

## DIVIDEND

The Board did not recommend any interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.005 per share).

Reference is made to the announcement of the Company dated 13 August 2026 in relation to the declaration and payment of a special dividend. The Board has resolved to declare a conditional Special Dividend of HK$0.04575 per share in cash to the shareholders, amounting to HK$91,500,000 in total. The payment of the Special Dividend is conditional upon the Completion having taken place. If the Completion has not taken place, the Special Dividend will not be paid. Subject to the Completion having taken place, the Special Dividend will be paid on or around Monday, 14 September 2026 to the shareholders whose names appear on the register of members of the Company at the close of business on Monday, 31 August 2026.

## POSSIBLE CHANGE OF CONTROL OF THE COMPANY

The Company was notified by Shell Electric Holdings Limited (controlling shareholder of the Company, the "**Seller**") and Mega Nova Holdings Limited (the "**Offeror**") that they had entered into a sale and purchase agreement dated 31 July 2026 for the sale and purchase of 1,400,000,000 shares of the Company (representing 70% of the total issued shares as at the date of the said agreement) at a total cash consideration of HK$154,000,000 (the "**SPA**"). Pursuant to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, upon Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued shares of the Company (other than those already owned and/or agreed to be acquired by the Offeror and the parties acting in concert with it) (the "**Offer**"). The Company issued a joint announcement with the Offeror dated 31 July 2026 (the "**Joint Announcement**") in relation to, among other things, the SPA and the Offer. Details of the terms of the SPA and the Offer are set out in the Joint Announcement.

## AUDIT COMMITTEE

The Company has established an audit committee comprising two independent non-executive directors and one non-executive director, namely Mr. Leung Man Chiu, Lawrence (Chairman), Mr. Poon Chak Sang, Plato and Mr. Yung Kwok Kee, Billy. The audit committee has reviewed, with no disagreement, with the senior management on the Group's interim results and the interim financial information for the six months ended 30 June 2026, including the accounting principles and practices adopted by the Group, and discussed financial reporting, auditing and internal controls matters.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the HKEXnews website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://www.smcelectric.com.hk). The Interim Report for the six months ended 30 June 2026 will be despatched to shareholders of the Company and will be made available on the above websites in due course.

By Order of the Board
**SMC Electric Limited**
**Leung Chun Wah**
*Executive Director*

Hong Kong, 31 August 2026

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. LEUNG Chun Wah, Mr. TANG Che Yin and Mr. CHOW Kai Chiu, David; two non-executive directors, namely, Mr. YUNG Kwok Kee, Billy and Mdm. LI Pik Mui, Cindy; and three independent non-executive directors, namely, Mr. LEUNG Man Chiu, Lawrence, Mr. POON Chak Sang, Plato and Mr. HO Chi Sing, Spencer.*