

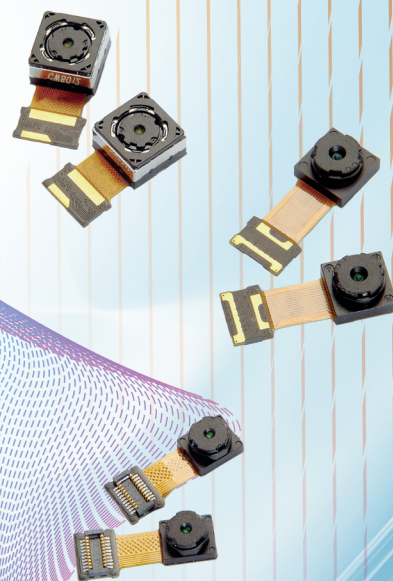
# COWELL

**Cowell e Holdings Inc.**  
**高偉電子控股有限公司**

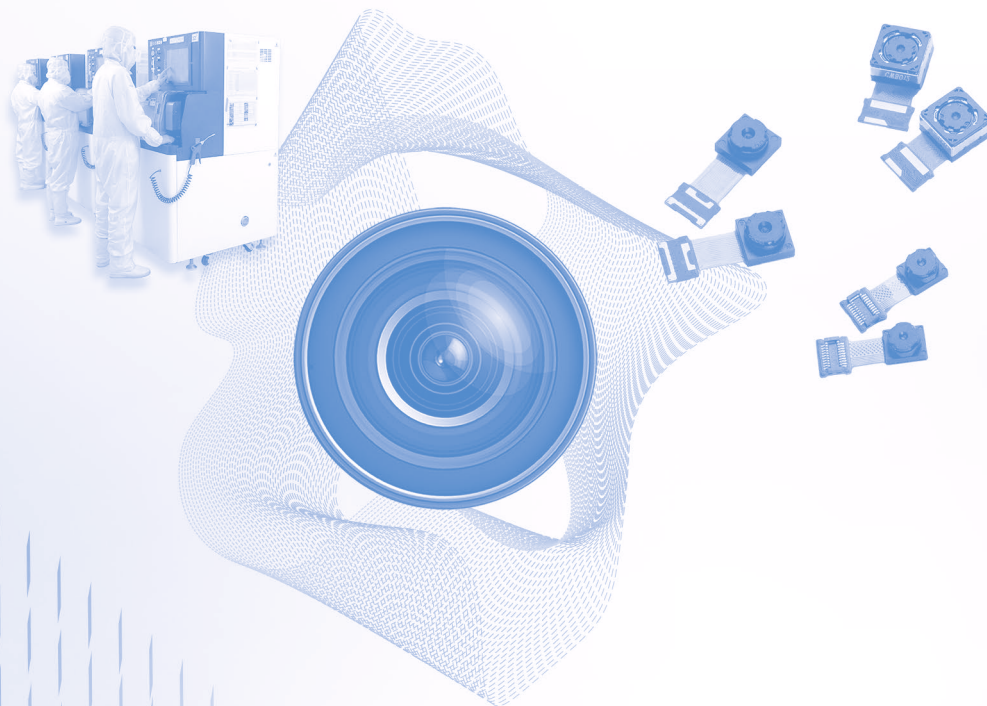
*(Incorporated in the Cayman Islands with limited liability)*

**Stock Code: 1415**

## INTERIM REPORT 2023







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# Corporate Information

## COMPANY NAME

Cowell e Holdings Inc.

## PLACE OF LISTING OF SHARES

The Stock Exchange of Hong Kong Limited

## STOCK CODE

1415

## STOCK NAME

Cowell

## BOARD OF DIRECTORS

### Executive Directors

Mr. Meng Yan (*Chairman*)  
Mr. Wu Ying-Cheng

### Non-executive Directors

Mr. Chen Han-Yang  
Mr. Yang Li

### Independent Non-executive Directors

Ms. Su Yen-Hsueh  
Mr. Tsai Chen-Lung  
Ms. Liu Xia

## COMPANY SECRETARY

Ms. Lam Wing Yan

## AUTHORIZED REPRESENTATIVES

Mr. Chen Han-Yang  
Ms. Lam Wing Yan

## AUDIT COMMITTEE

Ms. Liu Xia (*Chairman*)  
Ms. Su Yen-Hsueh  
Mr. Tsai Chen-Lung

## REMUNERATION COMMITTEE

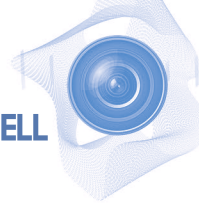
Ms. Su Yen-Hsueh (*Chairman*)  
Mr. Tsai Chen-Lung  
Ms. Liu Xia

## NOMINATION COMMITTEE

Mr. Tsai Chen-Lung (*Chairman*)  
Ms. Su Yen-Hsueh  
Ms. Liu Xia

## REGISTERED OFFICE

PO Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands



## Corporate Information

**HEADQUARTERS AND PRINCIPAL PLACE  
OF BUSINESS IN THE PEOPLE'S REPUBLIC  
OF CHINA**

No. 1 Songbai Road  
Huanan Industrial Zone Liaobu Town  
Dongguan City Guangdong Province  
People's Republic of China

**PRINCIPAL PLACE OF BUSINESS IN  
HONG KONG**

Suite 1620  
16/F, Ocean Centre  
5 Canton Road  
Tsimshatsui  
Kowloon  
Hong Kong

**AUDITOR**

KPMG  
Public Interest Entity Auditor  
registered in accordance with the Accounting and Financial  
Reporting Council Ordinance  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

**LEGAL ADVISOR**

Reed Smith Richards Butler LLP  
17/F, One Island East  
Taikoo Place, 18 Westlands Road,  
Quarry Bay, Hong Kong

**CAYMAN ISLANDS PRINCIPAL SHARE  
REGISTRAR AND TRANSFER AGENT**

Maples Fund Services (Cayman) Limited  
PO Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman  
KY1-1102  
Cayman Islands

**HONG KONG SHARE REGISTRAR**

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

**PRINCIPAL BANKERS**

Hong Kong and Shanghai Banking Corporation Limited  
China Merchants Bank Co., Ltd.

**COMPANY WEBSITE**

[www.cowelleholdings.com](http://www.cowelleholdings.com)

**PUBLIC RELATIONS CONSULTANT**

Strategic Public Relations Group Limited  
24/F, Admiralty Centre I  
18 Harcourt Road, Hong Kong





# Management Discussion and Analysis

## BUSINESS REVIEW

Cowell e Holdings Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) is a supplier of delicate optical modules for electronic mobile devices. It engages in the design, development, manufacture and sale of a variety of modules and systems integration products that are used in smartphones, multimedia tablets, smart driving and other mobile devices of internationally-renowned brands.

In the fiscal year of 2023, despite the end of the COVID-19 Pandemic, the global economic recovery did not meet the anticipated level and the growth remained sluggish. Unfavourable factors such as high inflation rates in Europe and the United States, trade conflicts between China and the United States, regional wars, and extreme weather conditions, were all even more severe than those in the fiscal year of 2022. These resulted in a continued downturn in the economic climate, which put the Group under even greater pressure than that in the fiscal year of 2022, causing the decline in sales and net profit for the interim period of the fiscal year of 2023 as compared to the corresponding period in 2022.

The Group’s revenue amounted to US\$366.7 million in the Reporting Period as compared with US\$404.6 million in the first half of 2022. The Group’s revenue in the Reporting Period had decreased by 9.4% as compared with that in the same period of 2022, which was mainly due to decreased orders from customers.

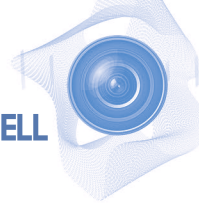
The Group’s net profit amounted to US\$17.5 million in the Reporting Period as compared with the net profit of US\$31.2 million in the first half of 2022.

## OUTLOOK AND FUTURE STRATEGIES

Looking ahead to the fiscal year of 2023, the reduced economic impact of the COVID-19 Pandemic and the stabilised situation of the Middle East Peninsula will help the global economy to move towards recovery, but there are no signs of improvement in the unfavourable factors such as the trade conflict between China and the United States, the high inflation rates and the various economic sanctions. The outlook for the recovery of global economy remains bleak.

However, the precision optical industry is still in a stage of rapid development, especially in new areas such as intelligent driving, Augmented Reality (“**AR**”), Virtual Reality (“**VR**”), etc. The upturn in these sectors has not been affected by the economic downturn. We continue to be optimistic about the business opportunities brought about by new technologies and applications in the optical industry, and we estimate that the development of the optical industry will continue with the favourable development trend of the fiscal year 2022.

With the development of technology, improvement of regulations and acceleration of new energy vehicle enterprises, especially the acceleration of the strategic alliance between traditional fuel vehicle manufacturers and new energy vehicle enterprises, the global intelligent driving application market is expected to grow enormously, in which the LiDAR market scale will also be benefited. With the gradual decrease of the unit price of LiDAR, it will accelerate to become the standard equipment in the industry. According to a report by MarketsandMarkets, the advanced driver assistance system (ADAS) market size will increase from US\$30.9 billion in 2022 to US\$65.1 billion in 2030, with a compound annual growth rate (“**CAGR**”) of 9.7%. The LiDAR market size will increase from US\$1.4 billion in 2023 to US\$3.7 billion in 2028, with a CAGR of approximately 19.4%. As one of the leading companies in the high-end manufacturing of LiDAR, the Group will continue to invest in resources to meet the needs of our customers in order to seize the market opportunities.



## Management Discussion and Analysis

The meta-universe application and development driven by AR/VR continues to heat up, coupled with the release of new spatial calculator products by international leading brand manufacturers, which are injecting innovative elements into the industry. The future development of ecology, application software, and terminal hardware will be highly predictable. Trendforce, a research organisation specialising in the technology industry, estimated that the shipment of AR/VR devices will reach 10.35 million units in 2023, representing an annual growth rate of 20.6%. The Group will continue to strengthen and expand its dominant position in this segment to capture greater business opportunities.

In the fiscal year of 2023, the global economic environment is expected to remain in turmoil and the operating environment will be challenging. The Group will maintain its development strategy in the fiscal year of 2022, continue to increase resource investment in research and development, promote technological innovation in production and accelerate the introduction of automation, in order to further enhance added value for customers. This is the only way to reflect differentiation while creating a win-win outcome and moving towards excellence with customers in a competitive environment. The management team is confident to lead the Company to greater successes.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2023, the Group had total assets of US\$697.9 million (31 December 2022: US\$631.2 million); net current assets of US\$219.9 million (31 December 2022: US\$228.3 million) and total equity of US\$373.3 million (31 December 2022: US\$360.6 million).

The Group had a solid financial position and continued to maintain a strong and steady inflow from operating activities. As at 30 June 2023, the Group reported US\$245.9 million in unencumbered cash and cash equivalents (30 June 2022: US\$287.0 million). The management believes that the Group's current cash and cash equivalents and expected cash flow from operations, will be sufficient to support the Group's operational requirements.

### BORROWING

As at 30 June 2023, the Group had aggregate banking facilities of approximately US\$396.5 million (31 December 2022: US\$58.7 million), of which US\$209.3 million were utilized. Other than the aforementioned banking facilities, the Group did not have any outstanding loan, debt securities, charges, mortgages or other similar indebtedness, hire purchase, or guarantees or other material contingent liabilities as at 30 June 2023.

The calculation of gearing ratio is based on net debt (defined as bank loans and lease liabilities less cash and cash equivalents and bank deposits) divided by the sum of net debt and total equity, and multiplied by 100%. As at 30 June 2023, the gearing ratio of the Group was 77.0% (31 December 2022: 42.0%).





## Management Discussion and Analysis

### **PLEDGE OF THE GROUP'S ASSETS**

As at 30 June 2023, the Group's had no pledged assets (31 December 2022: US\$Nil).

### **CAPITAL EXPENDITURES AND COMMITMENTS**

The Group's capital expenditures (equivalent to the cash the Group spent to purchase property, plant and equipment) for the Reporting Period amounted to US\$44.0 million, compared with US\$51.3 million for the six months ended 30 June 2022. The Group's capital expenditures in the Reporting Period mainly reflected purchases of additional equipment to produce more advanced flip-chip camera modules. The Group intends to fund the Group's planned future capital expenditures through a combination of cash flow from operating activities and possible fund raising exercises.

### **CURRENCY RISK**

The Group's exposure to currency risk arises primarily through sales and purchases giving rise to receivables, payables and cash balances that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars (pegged to the U.S. dollar), Renminbi and Korean Won.

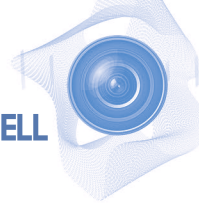
The functional currency of the Company and its subsidiaries operating in Hong Kong, the PRC and Korea are U.S. dollars, Hong Kong dollars, Renminbi and Korean Won, respectively. While both the Group's sales of products and purchases of components, materials and equipment are denominated mainly in U.S. dollars, a portion of its purchases, as well as its labor and other operating costs, are denominated in other currencies, including Renminbi and Korean Won. For the six months ended 30 June 2023, the Group did not use any forward exchange contracts or other derivative instruments to hedge against fluctuations in currency exchange rates applicable to us.

### **SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

There were no significant investments held, material acquisitions and disposals of subsidiaries and associated companies of the Company performed by the Group for the six months ended 30 June 2023.

### **CONTINGENT LIABILITIES**

As at 30 June 2023, the Group had no significant contingent liabilities except for the guarantee provided by the Company to secure the bank facilities granted by banks to certain subsidiaries amounting to US\$131.5 million (31 December 2022: US\$59.0 million).



## Management Discussion and Analysis

### HUMAN RESOURCES

The Group employed a total of approximately 2,906 full-time employees as at 30 June 2023 (31 December 2022: 3,405). Total staff costs for the Reporting Period, excluding the remuneration of the directors of the Company (the **"Directors"**) were approximately US\$23.7 million (six months ended 30 June 2022: US\$26.0 million).

In particular, professional employment agencies located in Dongguan, the PRC, have been involved for purposes of hiring most of the Group's factory workers. The Group also provides living, entertainment, dining and training facilities for the Group's employees. The scope of training covers introduction of our human resources policy, health and safety, management skills and machine and equipment manuals as well as other areas.

The Group has an emolument policy with respect to long-term incentive schemes. The basis of determining emoluments payable to the Directors is made on a discretionary basis with reference to the Company's operating results, individual performance and comparable market statistics. Furthermore, the remuneration committee of the Company (the **"Remuneration Committee"**) is authorized by the board (the **"Board"**) of the Directors to review and make recommendations on the remuneration of the Directors and senior management of the Company. The emolument policy of the Group is considered by the Remuneration Committee on the basis of the merit, qualifications and competence of the Directors and senior management.

Furthermore, to provide incentive or reward to our employees for their contribution or potential contribution to, and continuing efforts to promote the interests of, the Group with greater flexibility, the Group had terminated the share option scheme of the Company adopted on 4 February 2015 and adopted a new share option scheme on 5 May 2021 (the **"Share Option Scheme"** or the **"Scheme"**). For details of the Share Options Scheme, please refer to the circular of the Company dated 20 April 2021 and the subsection headed "Share Option Scheme" in this report.





## Supplementary Information

### DIRECTORS' AND CHIEF EXECUTIVE OFFICERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debenture of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571) (of the Laws of Hong Kong) (the “SFO”) which were (i) required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept under section 352 of the SFO, or (iii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange were as follows:

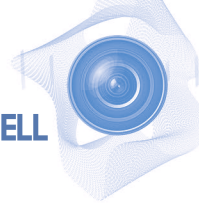
#### Long position in the shares and underlying shares of the Company

Name	Title	Nature of interest	Number of shares or underlying shares	Percentage of aggregate interests to the total number of share in issue
Mr. Meng Yan	Executive Director, Chairman	Beneficial interest (Note)	3,150,000	0.37%
Mr. Wu Ying-Cheng	Executive Director, Chief executive officer and Chief financial officer	Beneficial interest (Note)	1,980,000	0.23%
Mr. Chen Han-Yang	Non-executive Director	Beneficial interest (Note)	1,680,000	0.20%
Mr. Yang Li	Non-executive Director	Beneficial interest (Note)	1,680,000	0.20%

Note:

These interests represented the interests in underlying shares in respect of the share options granted by the Company under the Share Option Scheme (as defined below).

Saved as disclosed above, as of 30 June 2023, so far as is known to the Directors or chief executive of the Company, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he was taken or deemed to have under such provisions of the SFO), or (b) were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.



## Supplementary Information

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the following persons had interests or short positions in the shares (the “Share(s)”) of the Company (or relevant shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### Interest of substantial shareholders

Name of shareholder	Nature of interest	Number of Shares or underlying Shares	Approximate percentage of shareholding interest <sup>(2)</sup>
Luxvisions Innovation Technology Limited <sup>(1)</sup>	Beneficial interest	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
Mr. Wang Laichun <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
Mr. Wang Laisheng <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
Ms. Wang Laijiao <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
Mr. Wang Laixi <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
Luxsan <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
LIL <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>
GLITL <sup>(1)</sup>	Interest in a controlled corporation	613,766,760 551,229,760	72.25% (L) 64.89% (S) <sup>(3)</sup>





## Supplementary Information

- (1) Luxvisions Innovation Technology Limited ("**LITL**"), a limited liability company incorporated in Hong Kong which is a wholly-owned subsidiary of Guangzhou Luxvisions Innovation Technology Limited ("**GLITL**"), a company incorporated in the PRC. GLITL is owned as to approximately 58.35% by Luxvisions Innovation Limited ("**LIL**"), a company incorporated in Hong Kong with limited liability, which is own as to approximately 53.415% by Mr. Wang Laixi, 43.659% by Luxsan Limited ("**Luxsan**") and 2.927% by Lite-On Singapore Pte. Limited ("**Lite-On**"). Luxsan is a company incorporated in Hong Kong with limited liability and owned as to by Ms. Wang Laichun (an elder sister of Mr. Wang Laixi), Mr. Wang Laisheng (an elder brother of Mr. Wang Laixi) and Ms. Wang Laijiao (an elder sister of Mr. Wang Laixi) as to 34%, 33% and 33% respectively. Lite-On is a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of Lite-On Technology Corporation 光寶科技股份有限公司 (a company incorporated in Taiwan with limited liability and listed on the Taiwan Stock Exchange (stock code 2301)). Each of Ms. Wang Laichun, Mr. Wang Laisheng, Ms. Wang Laijiao, Mr. Wang Laixi, Luxsan, LIL and GLITL is deemed, or taken to be, interested in the Shares held by LITL for the purposes of the SFO.
- (2) At as 30 June 2023, the total number of issued shares of the Company was 849,486,800 ordinary shares. (L) denotes long position, and (S) denotes short position.
- (3) LITL has pledged an aggregate of 551,229,760 Shares in favour of a licensed bank in Hong Kong as security for its banking facilities granted by said bank, representing approximately 64.89% of the total issued share capital of the Company as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any person (other than the Directors or chief executive and substantial shareholders of the Company the interests of which were disclosed above) who had an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30 June 2023.

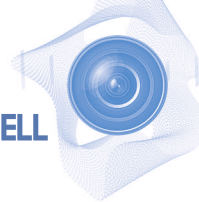
## SHARE OPTION SCHEME

The Company has adopted a share option scheme by a resolution of its Shareholder on 4 February 2015 (the "**Old Share Option Scheme**"). The termination of the Old Share Option Scheme was approved pursuant to an ordinary resolution of Shareholders passed on 5 May 2021. No further options will be granted under the Old Share Options Scheme.

The Company adopted a new Share Option Scheme pursuant to the shareholders' approval on 5 May 2021 to provide greater flexibility for the Company to grant share options and provide incentives and/or rewards to eligible persons for their contribution and continuing efforts to promote the interests of the Group.

During the Reporting Period, the Company did not grant any share options (the "**Options**") (six months ended 30 June 2022: Nil) to any eligible persons (the "**Grantees**") under the Share Option Scheme. The total number of Shares for issue under the Scheme is 83,436,880 representing 9.82% of the total number of issued Shares of the Company as at the date of this Report.

Movement of the Options under the Share Option Scheme during the Reporting Period are listed below:



## Supplementary Information

## MOVEMENT OF THE OPTIONS

	Number of Options				As at 30 June, 2023	Exercise Price (HK\$)	Closing price of the Shares before the date of grant (HK\$)	Date of grant <sup>(9)</sup>	Vesting Period
	Outstanding as at 1 January 2023	Exercised	Cancelled	Lapsed					
<b>Director of the Company</b>									
Meng Yan <sup>(1)</sup>	5,000,000	1,850,000	—	—	3,150,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Wu Ying-Cheng <sup>(1)</sup>	3,300,000	1,320,000	—	—	1,980,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Chen Han-Yang <sup>(1)</sup>	2,800,000	1,120,000	—	—	1,680,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Yang Li <sup>(1)</sup>	2,800,000	1,120,000	—	—	1,680,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
<b>Employee participants</b>									
Continuous contract employee <sup>(1)</sup>	22,674,000	3,698,000	80,000	—	18,896,000	4.144	4.09	25 May 2021	25 May 2021 to 24 May 2026
Continuous contract employee <sup>(2)</sup>	14,380,000	1,194,000	—	440,000	12,746,000	4.84	4.758	15 October 2021	15 October 2021 to 14 October 2026
Total	50,954,000	10,302,000	80,000	440,000	40,132,000				





## Supplementary Information

### Notes:

- (1) On 25 May 2021, a total of 45,450,000 Options were granted to certain Directors, chief executive and certain employees of the Group, and the exercise period of the Options are as follows:  
20% of the Options shall be vested on the date falling the first anniversary of the Date of Grant and exercisable from 25 May 2022 to 24 May 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the second anniversary of the Date of Grant and exercisable from 25 May 2023 to 24 May 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the third anniversary of the Date of Grant and exercisable from 25 May 2024 to 24 May 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the fourth anniversary of the Date of Grant and exercisable from 25 May 2025 to 24 May 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the fifth anniversary of the Date of Grant and exercisable from 25 May 2026 to 24 May 2031, both dates inclusive.  
For further details of the grant, please refer to the announcement of the Company dated 25 May 2021.
- (2) On 15 October 2021, a total of 17,200,000 Options were granted to certain continuous contract employees of the Group, and the exercise period of the Options are as follows:  
20% of the Options shall be vested on the date falling the first anniversary of the Date of Grant and exercisable from 15 October 2022 to 14 October 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the second anniversary of the Date of Grant and exercisable from 15 October 2023 to 14 October 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the third anniversary of the Date of Grant and exercisable from 15 October 2024 to 14 October 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the fourth anniversary of the Date of Grant and exercisable from 15 October 2025 to 14 October 2031, both dates inclusive.  
20% of the Options shall be vested on the date falling the fifth anniversary of the Date of Grant and exercisable from 15 October 2026 to 14 October 2031, both dates inclusive.  
For further details of the grant, please refer to the announcement of the Company dated 15 October 2021.
- (3) Save as disclosed, no options had been granted to other chief executive, substantial shareholders of the Company, participants in excess of the individual limit and/or other related entity participants and/or service providers under the Share Option Scheme since its adoption.

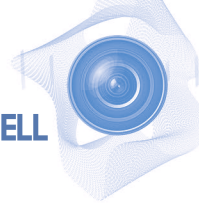
For the vesting conditions, in each of the aforesaid exercise period, if a Grantee's performance appraisal result for the preceding calendar year before an exercise period is level B or C, the Board is entitled to cancel some Options exercisable in that exercise period of that Grantee; and if a Grantee's performance appraisal result for the preceding calendar year before an exercise period is level D, the Board is entitled to cancel all Options exercisable in that exercise period of that Grantee.

During the six months ended 30 June 2023, 10,302,000 options (six months ended 30 June 2022: 822,000 options) were exercised under the Share Option Scheme. For the 10,302,000 Options exercised during the Reporting Period, the weighted average closing price of the Shares immediately before the dates on which the Options were exercised was HK\$17.7799 (six months ended 30 June 2022: HK\$7.5246).

The number of options available for grant under the Scheme Mandates Limit as at the 1 January, 2023 and 30 June, 2023 remained as 20,786,880.

Based on the Scheme Mandate Limit and subtracting the number of option exercised, cancelled and/or lapsed, the total number of Shares available for issue under the Share Option Scheme was 60,628,880, representing approximately 7.14% of the issued share of the Company as at the date of this report.

The number of shares that may be issued in respect of Options granted under the Share Option Scheme during the six months ended 30 June 2023 divided by the weighted average number of Shares in issue for the period is 4.76%.



## Supplementary Information

## INTERIM DIVIDEND

Having considered for the future expansion via vertical integration and horizontal integration and the highly uncertain economic outlook, the Board considered it is more prudent to retain more cash for its future expansion plans. The Board thus does not recommend any payment of an interim dividend for the Reporting Period (2022: Nil).

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

## CORPORATE GOVERNANCE

The Board reviewed the corporate governance of the Group in accordance with the code provisions (the **"Code Provisions"**) as set out in the Corporate Governance Code (the **"CG Code"**) contained in Appendix 14 to the Listing Rules and considered that, for the Reporting Period, the Company regulated its operation and carried out appropriate corporate governance in accordance with the CG Code. The Company has complied with the CG Code during the Reporting Period.

The Directors consider that the Company has fully complied with the applicable Code Provisions as set out in the CG Code during the Reporting Period.

## AUDIT COMMITTEE

The audit committee of the Company (the **"Audit Committee"**) has reviewed together with the management the accounting principles and policies adopted by the Group and the unaudited consolidated financial report for the Reporting Period. Based on this review, the Audit Committee was satisfied that the financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

## MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code and all Directors have confirmed, following specific enquiry of all Directors that they have fully complied with the required standard as set out in the Model Code throughout the Reporting Period.

## EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Company nor any of its subsidiaries after the end of the Reporting Period requiring disclosure in this interim report.



## THE BOARD OF DIRECTORS

### Board Responsibilities

The Board is at the core of the Company's corporate governance structure, and is responsible for the overall strategic leadership and planning of the Company. All important matters of the Company are reserved for the Board's decision and the Board retains the authority of deciding such matters, including formulating and monitoring the Company's long term strategies and policy matters, reviewing financial performance, approving annual budgets, monitoring and reviewing internal control and risk management systems, assuming responsibility for the corporate governance of the Company, and upholding the core values of the Company.

### Delegation by the Board

The Board relies on management for the day-to-day operation of the Company's business, and has delegated the authority and responsibility for the daily management, administration and operation of the Group as well as the implementation of the Board's policies and strategies to the senior management of the Group. The Board and senior management fully appreciate their respective responsibilities, and they complement each other in formulating and maintaining higher standards of corporate governance practices of the Company.

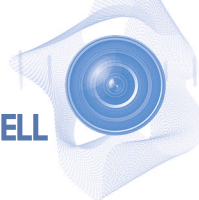
By order of the Board

**Cowell e Holdings Inc.**

**Meng Yan**

*Chairman*

Hong Kong, 10 August 2023



# Review Report to the Board of Directors of Cowell e Holdings Inc.

(Incorporated in the Cayman Islands with limited liability)



## Introduction

We have reviewed the interim financial report set out on pages 16 to 30 which comprises the consolidated statement of financial position of Cowell e Holdings Inc. (“**the Company**”) as of 30 June 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

## KPMG

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

10 August 2023



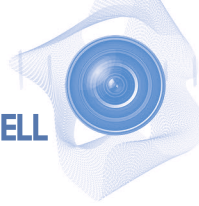


# Consolidated Statement of Profit or Loss

for the six months ended 30 June 2023 — unaudited  
(Expressed in United States dollars)

	Note	Six months ended 30 June	
		2023 \$'000	2022 \$'000
<b>Revenue</b>	3 & 4	<b>366,725</b>	404,552
Cost of sales		<b>(315,872)</b>	(344,468)
<b>Gross profit</b>		<b>50,853</b>	60,084
Other income		<b>4,244</b>	6,032
Selling and distribution expenses		<b>(929)</b>	(787)
Administrative expenses		<b>(31,777)</b>	(29,336)
<b>Profit from operations</b>		<b>22,391</b>	35,993
Finance costs	5(a)	<b>(3,186)</b>	(1,729)
<b>Profit before taxation</b>	5	<b>19,205</b>	34,264
Income tax	6	<b>(1,673)</b>	(3,109)
<b>Profit for the period</b>		<b>17,532</b>	31,155
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>18,034</b>	31,391
Non-controlling interests		<b>(502)</b>	(236)
<b>Profit for the period</b>		<b>17,532</b>	31,155
<b>Earnings per share</b>	7		
Basic		<b>\$0.021</b>	\$0.038
Diluted		<b>\$0.021</b>	\$0.036

The notes on pages 23 to 30 form part of this interim financial report.



## Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 30 June 2023 — unaudited  
(Expressed in United States dollars)

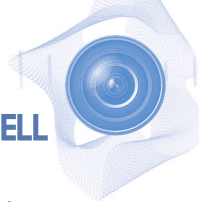
	Six months ended 30 June	
	2023 \$'000	2022 \$'000
<b>Profit for the period</b>	<b>17,532</b>	31,155
<b>Other comprehensive income for the period (after tax adjustments):</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements	(17,887)	(22,290)
<i>Item that will not be reclassified to profit or loss:</i>		
Remeasurement of net defined benefit liability	(43)	(32)
<b>Other comprehensive income for the period</b>	<b>(17,930)</b>	(22,322)
<b>Total comprehensive income for the period</b>	<b>(398)</b>	8,833
<b>Attributable to:</b>		
Equity shareholders of the Company	599	9,069
Non-controlling interests	(997)	(236)
<b>Total comprehensive income for the period</b>	<b>(398)</b>	8,833



# Consolidated Statement of Financial Position

at 30 June 2023 — unaudited  
(Expressed in United States dollars)

	Note	At 30 June 2023 \$'000	At 31 December 2022 \$'000
<b>Non-current assets</b>			
Property, plant and equipment	8	146,890	130,253
Intangible assets		2,654	3,066
Interest in a joint venture		554	574
Net defined benefit retirement assets		47	23
Prepayment and other receivables		9,495	7,377
Deferred tax assets		8,273	9,224
		<b>167,913</b>	150,517
<b>Current assets</b>			
Inventories		52,820	138,339
Trade and other receivables	9	87,667	195,846
Current tax recoverable		1,046	—
Bank deposits	10	142,545	101,944
Cash and cash equivalents	10	245,886	44,508
		<b>529,964</b>	480,637
<b>Current liabilities</b>			
Trade and other payables	11	87,210	224,938
Bank loans		209,268	15,794
Lease liabilities		4,241	5,727
Current tax payable		9,353	5,856
		<b>310,072</b>	252,315
<b>Net current assets</b>		<b>219,892</b>	228,322
<b>Total assets less current liabilities</b>		<b>387,805</b>	378,839



## Consolidated Statement of Financial Position

at 30 June 2023 — unaudited  
(Expressed in United States dollars)

	Note	At 30 June 2023 \$'000	At 31 December 2022 \$'000
<b>Non-current liabilities</b>			
Lease liabilities		12,522	18,242
Deferred income		2,017	—
		14,539	18,242
<b>NET ASSETS</b>		<b>373,266</b>	<b>360,597</b>
<b>CAPITAL AND RESERVES</b>			
Share capital		3,398	3,357
Reserves		364,930	356,632
<b>Total equity attributable to equity shareholders of the Company</b>		<b>368,328</b>	<b>359,989</b>
<b>Non-controlling interests</b>		<b>4,938</b>	<b>608</b>
<b>TOTAL EQUITY</b>		<b>373,266</b>	<b>360,597</b>

The notes on pages 23 to 30 form part of this interim financial report.

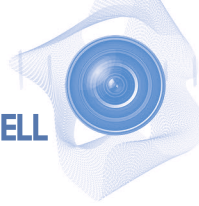




# Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 — unaudited  
(Expressed in United States dollars)

	Note	Attributable to equity shareholders of the Company								Non-controlling interest		Total equity
		Share capital	Share premium	Capital reserve	Capital redemption reserve	Other reserve	General reserve fund	Exchange reserve	Retained profits	Total	interest	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2022</b>		3,337	59,217	3,188	7	762	20,117	2,471	219,570	308,669	—	308,669
<b>Changes in equity for the six months ended 30 June 2022:</b>												
Profit for the period		—	—	—	—	—	—	—	31,391	31,391	(236)	31,155
Other comprehensive income		—	—	—	—	—	—	(22,290)	(32)	(22,322)	—	(22,322)
Total comprehensive income		—	—	—	—	—	—	(22,290)	31,359	9,069	(236)	8,833
Transfer from retained profits		—	—	—	—	—	747	—	(747)	—	—	—
Shares issued under share option scheme	12	2	264	(41)	—	—	—	—	—	225	—	225
Equity settled share-based transactions		—	—	1,147	—	—	—	—	—	1,147	—	1,147
Share options lapsed/cancelled		—	—	(36)	—	—	—	—	36	—	—	—
Establishment of a subsidiary		—	—	—	—	—	—	—	—	—	1,097	1,097
<b>Balance at 30 June 2022</b>		3,339	59,481	4,258	7	762	20,864	(19,819)	250,218	319,110	861	319,971



## Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023 — unaudited  
(Expressed in United States dollars)

Attributable to equity shareholders of the Company											
Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Capital redemption reserve \$'000	Other reserve \$'000	General reserve fund \$'000	Exchange reserve \$'000	Retained profits \$'000	Total \$'000	Non-controlling interest \$'000	Total equity \$'000
<b>Balance at 1 January 2023</b>	<b>3,357</b>	<b>62,433</b>	<b>4,507</b>	<b>7</b>	<b>762</b>	<b>25,741</b>	<b>(35,102)</b>	<b>298,284</b>	<b>359,989</b>	<b>608</b>	<b>360,597</b>
<b>Changes in equity for the six months ended 30 June 2023:</b>											
Profit for the period	—	—	—	—	—	—	—	18,034	18,034	(502)	17,532
Other comprehensive income	—	—	—	—	—	—	(17,392)	(43)	(17,435)	(495)	(17,930)
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(17,392)</b>	<b>17,991</b>	<b>599</b>	<b>(997)</b>	<b>(398)</b>
Transfer from retained profits	—	—	—	—	—	2,289	—	(2,289)	—	—	—
Shares issued under share option scheme 12	41	6,129	(772)	—	—	—	—	—	5,398	—	5,398
Equity settled share-based transactions	—	—	789	—	—	—	—	—	789	—	789
Share options lapsed/cancelled	—	—	(15)	—	—	—	—	15	—	—	—
Capital contributions from non-controlling interest	—	—	—	—	1,553	—	—	—	1,553	5,327	6,880
<b>Balance at 30 June 2023</b>	<b>3,398</b>	<b>68,562</b>	<b>4,509</b>	<b>7</b>	<b>2,315</b>	<b>28,030</b>	<b>(52,494)</b>	<b>314,001</b>	<b>368,328</b>	<b>4,938</b>	<b>373,266</b>

The notes on pages 23 to 30 form part of this interim financial report.

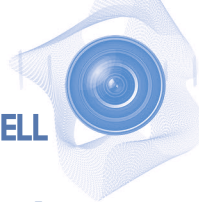


# Condensed Consolidated Cash Flow Statement

for the six months ended 30 June 2023 — unaudited  
(Expressed in United States dollars)

	Note	Six months ended 30 June	
		2023 \$'000	2022 \$'000
<b>Operating activities</b>			
Cash generated from operations		96,666	90,746
Tax refunded/(paid), net		1,857	(6,951)
<b>Net cash generated from operating activities</b>		<b>98,523</b>	83,795
<b>Investing activities</b>			
Payment for purchase of property, plant and equipment		(43,962)	(51,309)
Proceeds from matured bank deposits		33,238	—
Placement of new bank deposits		(79,481)	—
Payment for investment in a joint venture		—	(596)
Other cash flows arising from investing activities		3,870	1,853
<b>Net cash used in investing activities</b>		<b>(86,335)</b>	(50,052)
<b>Financing activities</b>			
Proceeds from new bank loans		209,271	91,973
Repayment of bank loans		(15,896)	(18,939)
Capital element of lease rentals paid		(2,481)	(1,980)
Interest element of lease rentals paid		(532)	(548)
Capital contributions from non-controlling interest		—	1,097
Proceeds from shares issued under share option scheme		5,398	225
Other cash flows arising from financing activities		(2,654)	(1,404)
<b>Net cash generated from financing activities</b>		<b>193,106</b>	70,424
<b>Net increase in cash and cash equivalents</b>		<b>205,294</b>	104,167
<b>Cash and cash equivalents at 1 January</b>	10	<b>44,508</b>	188,243
<b>Effect of foreign exchange rates changes</b>		<b>(3,916)</b>	(5,403)
<b>Cash and cash equivalents at 30 June</b>	10	<b>245,886</b>	287,007

The notes on pages 23 to 30 form part of this interim financial report.



# Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

## 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 10 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of Cowell e Holdings Inc. (the “**Company**”) and its subsidiaries (the “**Group**”) since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG’s independent review report to the Board of Directors is included on page 15.

The financial information relating to the financial year ended 31 December 2022 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

## 2 Changes in accounting policies

The IASB has issued several new and amended IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group’s result and financial position for the current or prior periods have prepared or presented in this interim report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.





## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

### 3 Revenue and segment reporting

The principal activities of the Group are manufacturing and sale of camera module and optical components. Revenue represents the sales value of goods supplied to customers and excludes value added tax or other sales taxes and is after deduction of any trade discounts.

The Group's customer base includes one customer (2022: one customer), with whom transactions have exceeded 10% of the Group's revenues for the six months ended 30 June 2023. Revenues from sales to this customer during the reporting period are set out below.

	Six months ended 30 June	
	2023 \$'000	2022 \$'000
Largest customer	353,925	403,510
— Percentage of total revenue	96.5%	99.7%

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group only has a single reportable segment.

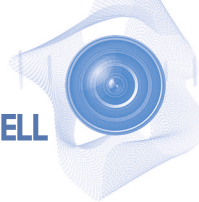
Disaggregation of revenue by geographical location of customers is as follows:

	Six months ended 30 June	
	2023 \$'000	2022 \$'000
The People's Republic of China ("PRC") (including Hong Kong)	340,222	402,448
The Republic of Korea ("Korea")	282	52
India	21,414	—
Others	4,807	2,052
	366,725	404,552

### 4 Seasonality of operations

The Group on average experiences higher sales in the fourth quarter, compared to other quarters in the year, due to the increased retail demand for its products during the holiday season. As a result, the Group typically reports lower revenues and segment results for the first half of the year than the second half.

For the twelve months ended 30 June 2023, the Group recorded a revenue of \$1,078,383,000 (twelve months ended 30 June 2022: \$906,214,000), and gross profit of \$165,216,000 (twelve months ended 30 June 2022: \$135,302,000).



## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

**5 Profit before taxation**

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2023 \$'000	2022 \$'000
<b>(a) Finance costs</b>		
Interest on bank loans	2,654	1,181
Interest on lease liabilities	532	548
	<b>3,186</b>	1,729
<b>(b) Other items</b>		
Amortisation	359	526
Depreciation	14,310	15,502
Research and development costs (other than depreciation and amortisation)	20,323	18,726
Interest income	(3,870)	(1,853)
Net loss on disposal of property, plant and equipment	90	1,600
Net loss on disposal of intangible assets	—	2,011

**6 Income tax**

	Six months ended 30 June	
	2023 \$'000	2022 \$'000
Current tax — Hong Kong Profits Tax	17	1,225
Current tax — Outside Hong Kong	824	1,210
Deferred taxation	832	674
Income tax	<b>1,673</b>	3,109

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.



## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

### 6 Income tax (continued)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2022: 16.5%) to the six months ended 30 June 2023, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

Pursuant to the Administrative Measures for Recognition of High-New Technology Enterprise (“**HNTE**”) jointly issued by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation, Dongguan Cowell Optic Electronics Co., Ltd., an indirect wholly owned subsidiary of the Company, was certified as a HNTE. According to the provisions of Article 28 “Corporate Income Tax Law of the People’s Republic of China”, the effective Corporate Income Tax (“**CIT**”) rate for 2023 and 2022 was subject to a reduced tax rate of 15%. Other PRC subsidiaries were subject to statutory tax rate of 25%.

Under the tax law in Korea, the statutory corporate tax rate applicable to the subsidiary in Korea is 9% for assessable income below Korean Won (“**KRW**”) 200 million, 19% for assessable income between KRW200 million and KRW20 billion and 21% for assessable income above KRW20 billion for the current period (six months ended 30 June 2022: 10% for assessable income below KRW200 million, 20% for assessable income between KRW200 million and KRW20 billion and 22% for assessable income above KRW20 billion).

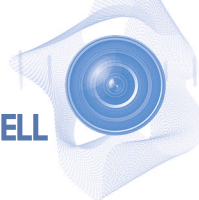
### 7 Earnings per share

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$18,034,000 (six months ended 30 June 2022: \$31,391,000) and weighted average of 842,680,000 ordinary shares (six months ended 30 June 2022: weighted average of 834,426,000 ordinary shares) in issue during the interim period.

#### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of \$18,034,000 (six months ended 30 June 2022: \$31,391,000) and the weighted average number of ordinary shares of 877,205,000 (six months ended 30 June 2022: 861,523,000 shares).



## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

### 8 Property, plant and equipment

#### (a) Right-of-use assets

During the six months ended 30 June 2023, the Group did not have any additions to right-of-use assets (six months ended 30 June 2022: \$9,214,000 related to lease agreements for use of factories). In addition, right-of-use assets with a net book value of \$3,066,000 were disposed of during the six months ended 30 June 2023 (six months ended 30 June 2022: \$Nil).

#### (b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2023, the Group acquired items of plant and equipment with a cost of \$45,804,000 (six months ended 30 June 2022: \$55,088,000). Items of plant and equipment with a net book value of \$90,000 were disposed of during the six months ended 30 June 2023 (six months ended 30 June 2022: \$1,600,000), resulting in a loss on disposal of \$90,000 (six months ended 30 June 2022: \$1,600,000).

#### (c) Customer's equipment

A customer has provided machinery to the Group for production of goods to that customer. The original acquisition costs of machinery borne by the customer amounted to \$111,382,000 (31 December 2022: \$111,382,000) and was not recognised as the Group's property, plant and equipment. There is no rental charge for the machinery and the management consider that the arrangement has been taken into account in determining sales prices with the customer.





## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

### 9 Trade and other receivables

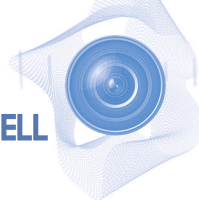
As of the end of the reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance is as follows:

	At 30 June 2023 \$'000	At 31 December 2022 \$'000
Within 1 month	71,854	124,061
Over 1 to 2 months	246	53,090
Over 2 to 3 months	276	3,238
Over 3 months	272	1,285
Trade receivables, net of loss allowance	72,648	181,674
Other receivables and prepayments	15,019	14,172
	87,667	195,846

Trade receivables are due within 30 to 90 days from the date of billing.

### 10 Bank deposits and cash and cash equivalents

	At 30 June 2023 \$'000	At 31 December 2022 \$'000
Bank deposits within three months to maturity when placed	2,676	—
Cash at bank and on hand	243,210	44,508
Cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated cash flow statement	245,886	44,508
Bank deposits with more than three months to maturity when placed	142,545	101,944



## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

**11 Trade and other payables**

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2023 \$'000	At 31 December 2022 \$'000
Within 1 month	61,932	115,242
Over 1 to 3 months	10,887	75,593
Over 3 to 6 months	1,217	5,311
Trade payables	74,036	196,146
Accrued charges and other payables	13,174	28,792
	87,210	224,938

**12 Equity settled share-based transactions**

The Company has adopted a share option scheme issued on 5 May 2021 (the “**Share Option Scheme**”) pursuant to which the Directors and employees of the Group are entitled to participate.

During the six months ended 30 June 2023, no share options (six months ended 30 June 2022: no share options) were granted, 520,000 options (six months ended 30 June 2022: 1,734,000 options) were lapsed/cancelled and 10,302,000 options (six months ended 30 June 2022: 822,000 options) were exercised under the Share Option Scheme.

**13 Commitments****Capital commitments outstanding at 30 June 2023 not provided for in the interim financial report**

	At 30 June 2023 \$'000	At 31 December 2022 \$'000
Contracted for	17,085	13,877



## Notes to the Unaudited Interim Financial Report

(Expressed in United States dollars unless otherwise indicated)

### 14 Material related party transactions

The Group entered into the following material related party transactions.

#### (a) Key management personnel remuneration

All members of key management personnel are the directors of the Company, and their salaries and other short-term benefits for the period are \$334,000 (six months ended 30 June 2022: \$353,000).

#### (b) Transactions with related parties

	Six months ended 30 June	
	2023 \$'000	2022 \$'000
Sales of goods		
— an intermediate holding company and its subsidiaries	786	152
— non-controlling interest	10,962	—
Purchase of raw materials		
— an intermediate holding company and its subsidiaries	3,058	494
— related companies*	6,526	802
— non-controlling interest	976	—
Purchase of equipment from related companies*	1,529	—
Service fee paid/payable to intermediate holding company	659	498

\* The controlling shareholders of the Company have significant influence over these related companies.

### 15 Comparative figures

In the current period, “other revenue” and “other net income” have been combined into “other income” in the consolidated statement of profit or loss, which directors considered would better facilitate analysis of the financial information. Accordingly, comparative figures have been reclassified to conform with the presentation of the current period.