PC PARTNER GROUP LIMITED
栢能集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(HKEX Stock Code: 1263)
(SGX-ST Stock Code: PCT)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2024	2023	Change
	HK$ million	*HK$ million*	
Revenue	**10,081.9**	9,167.2	10.0%
Gross Profit	**955.5**	700.7	36.4%
Gross Profit%	**9.5%**	7.6%	25.0%
Profit for the year attributable to owners of the Company	**262.1**	60.8	331.1%
Net Profit%	**2.6%**	0.7%	271.4%

The board of directors (the "Board") of PC Partner Group Limited (the "Company") is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
Revenue	*4, 5*	**10,081,957**	9,167,215
Cost of sales		**(9,126,471)**	(8,466,469)
Gross profit		**955,486**	700,746
Other revenue and other gains/(losses), net	*6*	**51,031**	30,770
Selling and distribution expenses		**(129,588)**	(138,183)
Administrative expenses		**(532,043)**	(442,773)
Reversal of provision/(provision) for impairment losses on financial assets		**3,417**	(3,118)
Finance costs	*7*	**(36,765)**	(59,306)
Profit before income tax	*8*	**311,538**	88,136
Income tax	*9*	**(50,866)**	(28,248)
Profit for the year		**260,672**	59,888
Other comprehensive income, after tax			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign subsidiaries		**(9,665)**	(1,381)
Reclassification adjustment for disposal of a joint venture during the year		**(8,062)**	—
Total comprehensive income for the year		**242,945**	58,507

	Notes	2024 HK$'000	2023 HK$'000
Profit/(loss) for the year attributable to:			
— Owners of the Company		**262,131**	60,843
— Non-controlling interests		**(1,459)**	(955)
		260,672	59,888
Total comprehensive income for the year attributable to:			
— Owners of the Company		**244,404**	59,462
— Non-controlling interests		**(1,459)**	(955)
		242,945	58,507
		HK$	*HK$*
Earnings per share	*11*		
— Basic		**0.68**	0.16
— Diluted		**0.68**	0.16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**636,945**	557,369
Right-of-use assets		**109,223**	92,559
Intangible assets		**4,825**	4,825
Other financial asset		**1,268**	1,268
Deferred tax assets		**7,614**	5,788
Trade and other receivables	*12*	**16,433**	5,664
Total non-current assets		**776,308**	667,473
Current assets			
Inventories	*13*	**842,325**	1,135,492
Trade and other receivables	*12*	**980,922**	894,097
Right of return assets		**28,984**	38,601
Current income tax recoverable		**52,641**	68,487
Cash and bank balances		**2,334,023**	2,491,217
Total current assets		**4,238,895**	4,627,894
Total assets		**5,015,203**	5,295,367
Current liabilities			
Trade and other payables	*14*	**1,076,314**	1,280,048
Refund liabilities		**35,571**	48,837
Contract liabilities	*5*	**51,775**	60,957
Borrowings	*15*	**819,533**	982,426
Provision for product warranties and returns		**40,508**	41,124
Lease liabilities		**37,522**	30,164
Current income tax liabilities		**12,645**	8,546
Total current liabilities		**2,073,868**	2,452,102
Net current assets		**2,165,027**	2,175,792
Total assets less current liabilities		**2,941,335**	2,843,265

	Notes	**2024** **HK$'000**	2023 HK$'000
Non-current liabilities			
Lease liabilities		**73,460**	69,050
Other payables	*14*	**5,868**	—
Total non-current liabilities		**79,328**	69,050
NET ASSETS		**2,862,007**	2,774,215
Capital and reserves			
Share capital	*16*	**38,788**	38,788
Reserves		**2,823,294**	2,734,043
Equity attributable to owners of the Company		**2,862,082**	2,772,831
Non-controlling interests		**(75)**	1,384
TOTAL EQUITY		**2,862,007**	2,774,215

Notes:

1. GENERAL INFORMATION

PC Partner Group Limited (the "Company") was incorporated in the Cayman Islands on 1 April 2010 with limited liability under the Companies Act (Revised) of the Cayman Islands and its shares have been primary listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") since 12 January 2012 and secondary listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 15 November 2024. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KYI-1108, Cayman Islands. Its principal place of business is situated at 28/F., NCB Innovation Centre, 888 Lai Chi Kok Road, Kowloon, Hong Kong and #11–27, West Tower, 20 Pasir Panjang Road, Mapletree Business City, Singapore 117439.

The Company and its subsidiaries (referred to as the "Group") are engaged in the business of design, manufacturing and trading of electronics and personal computer ("PC") parts and accessories with its operation base in Mainland China and Indonesia and trading of electronics and PC parts and accessories with its operation bases in Singapore, Hong Kong, Japan, Korea and the United States of America ("U.S.A.").

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of amended HKFRSs — effective on 1 January 2024

The HKICPA has issued a number of amended HKFRSs that were adopted by the Group effective from 1 January 2024:

• Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
• Amendments to HKAS 1	Non-current Liabilities with Covenants
• HK Interpretation 5 (2022)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
• Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
• Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

(b) New and amended HKFRSs that have been issued but are not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Annual improvements to HKFRS Accounting Standards — Volume 11[2]	
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]

1 Effective for annual periods beginning on or after 1 January 2025.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.
4 The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values presented are rounded to the nearest thousand ("HK$'000") unless otherwise stated.

4. SEGMENT REPORTING

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker which is the board of directors that are used to make strategic decisions. The Group principally operates in one business segment, which is the design, manufacturing and trading of electronics and PC parts and accessories. The following summary describes the operation of the Group's reportable segments:

Revenue from contracts with customers within the scope of HKFRS 15:

	2024	2023
	HK$'000	*HK$'000*
Design, manufacturing and trading of electronics and PC parts and accessories	**10,081,957**	9,167,215

Disaggregation of revenue from contracts with customers

In the following table, revenue is disaggregated by primary geographical market, major products and services, brand and non-brand businesses and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

For the year ended 31 December	**Design, manufacturing and trading of electronics and PC parts and accessories**	
	2024	2023
	HK$'000	*HK$'000*
Primary geographical markets		
Asia Pacific ("APAC")	**4,355,025**	3,274,159
North and Latin America ("NALA")	**1,275,638**	1,282,346
People's Republic of China ("PRC")	**2,263,059**	2,127,307
Europe, Middle East, Africa and India ("EMEAI")	**2,188,235**	2,483,403
	10,081,957	9,167,215
Major products/services		
Video graphics cards ("VGA Cards")	**8,481,820**	7,266,157
Electronics manufacturing services ("EMS")	**676,427**	738,958
Other PC related products and components	**923,710**	1,162,100
	10,081,957	9,167,215

For the year ended 31 December	Design, manufacturing and trading of electronics and PC parts and accessories	
	2024	2023
	HK$'000	*HK$'000*
Brand and non-brand businesses		
Brand businesses	**6,442,305**	5,815,602
Non-brand businesses	**3,639,652**	3,351,613
	10,081,957	9,167,215
Timing of revenue recognition		
At a point in time	**10,081,957**	9,167,215

(b) Geographic information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments and deferred tax assets ("Specified non-current assets").

	Revenue from external customers (by customer location)		Specified non-current assets	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
APAC	**4,355,025**	3,274,159	**568,629**	433,836
NALA	**1,275,638**	1,282,346	**22,647**	23,210
PRC	**2,263,059**	2,127,307	**175,907**	203,354
EMEAI	**2,188,235**	2,483,403	**243**	17
	10,081,957	9,167,215	**767,426**	660,417

(c) Information about the major customer

During the years ended 31 December 2024 and 2023, none of the customers contributed 10% or more of the Group's revenue.

5. REVENUE

Revenue represents the consideration to which the Group expects to be entitled in exchange for goods sold and service income earned by the Group excluding amounts collected on behalf of third parties. The following table provides information about contract liabilities from contracts with customers.

	2024	2023
	HK$'000	*HK$'000*
Contract liabilities	**51,775**	60,957

The contract liabilities mainly relate to the advance consideration received from customers and volume rebates and sales allowances to customers. HK$44,848,000 of the contract liabilities as at 1 January 2024 and HK$50,876,000 of the contract liabilities as at 1 January 2023 has been recognised as revenue for the year ended 31 December 2024 and 2023 respectively from performance obligations satisfied when the goods were sold.

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for sale of goods and services and therefore the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sale of goods and services which had an original expected duration of one year or less.

6. OTHER REVENUE AND OTHER GAINS/(LOSSES), NET

	2024	2023
	HK$'000	*HK$'000*
Government grants *(note)*	**5,190**	2,447
Interest income	**63,791**	50,228
Net exchange losses	**(30,324)**	(29,133)
Net fair value gains on derivative financial instruments	**164**	506
Gain on disposal of property, plant and equipment	**215**	40
Gain on termination of leases	**—**	20
Gain on disposal of a joint venture	**8,062**	—
Sundry income	**3,933**	6,662
	51,031	30,770

Note:

The government grants were received from several PRC local government authorities on a discretionary basis before year end. There is no unfulfilled conditions and other contingencies attaching to the government grants that have been recognised.

7. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on bank advances and other borrowings	**32,512**	54,766
Interest on lease liabilities	**4,165**	4,540
Interest on reinstatement cost for leasing properties	**88**	—
	36,765	59,306

8. PROFIT BEFORE INCOME TAX

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

	2024	2023
	HK$'000	*HK$'000*
Inventories recognised as expense	**9,145,797**	8,424,706
(Reversal of provision)/provision for obsolete inventories	**(19,326)**	41,763
Cost of sales	**9,126,471**	8,466,469
Staff costs	**470,032**	410,777
Auditor's remuneration		
— Audit services	**3,866**	1,578
— Non-audit services	**485**	344
Bad debts written off	**—**	1,753
Depreciation of property, plant and equipment	**67,865**	74,568
Depreciation of right-of-use assets	**34,988**	31,889
(Reversal of provision)/provision for impairment losses on financial assets	**(3,417)**	3,118
Short-term lease expenses	**489**	505
Low-value assets leases expenses	**22**	24
Property, plant and equipment written off	**1**	2
Provision for product warranties and returns, net	**14,809**	17,404
Research and development expenditure *(note)*	**63,838**	74,971

Note:

The research and development expenditure for the year represents depreciation of plant and machinery and office equipment and right-of-use assets and staff costs for research and development activities, which are also included in the total amounts disclosed above for each of these types of expenses.

9. INCOME TAX

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

	2024	2023
	HK$'000	*HK$'000*
Current tax — Hong Kong		
— provision for the year	**42,781**	26,668
— under/(over) provision in respect of prior year	**883**	(989)
Current tax — PRC		
— provision for the year	**7,668**	4,446
— over provision in respect of prior years	**(696)**	—
Current tax — others		
— provision for the year	**2,056**	172
— over provision in respect of prior year	**—**	(267)
	52,692	30,030
Deferred tax		
— origination and reversal of temporary differences	**(1,826)**	(1,782)
Income tax expense	**50,866**	28,248

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (Revised) of the Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

The Company's Macau subsidiary is exempted from Macau Complimentary Tax pursuant to Decree Law No. 58/99/M, Chapter 2, Article 12, dated 18 October 1999.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces a two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, if the entity has one or more connected entity, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates. Hong Kong profits tax of the nominated entity is calculated at 8.25% on assessable profits up to HK$2 million and 16.5% on any part of assessable profits over HK$2 million. For those entities which do not qualify for two-tiered profits tax rates, a profits tax rate of 16.5% on assessable profits shall remain in calculating Hong Kong profits tax. For the years ended 31 December 2024 and 2023, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. A significant subsidiary of the Company, PC Partner Limited, is entitled to claim 50% of all of its manufacturing profits as offshore in nature and non-taxable under Departmental Interpretation and Practice Notes No.21 issued by the Inland Revenue Department of Hong Kong ("HKIRD").

The Company's wholly-owned subsidiary located in the PRC, 東莞栢能電子科技有限公司 successfully obtained the "High Technology Enterprise" status during 2012 and renewed successfully for three years from 2024 to 2027 and the applicable PRC enterprise income tax rate for the year is 15% (2023: 15%). Other PRC subsidiaries of the Company are subject to PRC enterprise income tax at a statutory rate of 25% (2023: 25%) on the assessable profits as determined in accordance with the relevant income tax rules and regulations of the PRC for the year ended 31 December 2024.

Other overseas tax is calculated at the rates applicable in the respective jurisdictions.

10. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
2023 Final dividend paid — HK$0.20 per share (2023: 2022 Final dividend paid — HK$Nil per share)	**77,577**	—
2022 Special dividend paid — HK$0.25 per share	**—**	96,971
2024 Interim dividend paid — HK$0.20 per share (2023: 2023 Interim dividend paid — HK$0.10 per share)	**77,576**	38,788
Dividends paid for the year	**155,153**	135,759

The directors of the Company propose a final dividend of HK$0.15 (2023: HK$0.20) per share, totalling HK$58,183,000 (2023: HK$77,577,000) after the end of the reporting period. The final dividend has not been recognised as liabilities at the end of the reporting period.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the years ended 31 December 2024 and 2023 is based on the following data:

Profit	**2024**	2023
	HK$'000	*HK$'000*
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**262,131**	60,843

Shares in issue	**2024** ***(number of shares)***	2023 *(number of shares)*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**387,883,668**	387,850,243
Effect of dilutive potential ordinary shares: — share options	**—**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**387,883,668**	387,850,243

12. TRADE AND OTHER RECEIVABLES

	2024 HK$'000	2023 HK$'000
Trade receivables at amortised cost	**1,007,590**	1,061,508
Less: Accumulated impairment losses	**(295,457)**	(308,741)
Trade receivables at amortised cost, net	**712,133**	752,767
Trade receivables at fair value through profit or loss *(note)*	**92,130**	61,859
Other receivables	**3,307**	12,586
Prepayments, value added tax recoverable and tariff recoverable	**137,065**	24,689
Deposits	**58,279**	53,419
Less: Accumulated impairment losses	**(5,559)**	(5,559)
	52,720	47,860
	997,355	899,761
Less: Other receivables — non-current portion	**(433)**	(1,149)
Deposits — non-current portion	**(8,275)**	(4,515)
Prepayment — non-current portion	**(7,725)**	—
	(16,433)	(5,664)
Trade and other receivables — current portion	**980,922**	894,097

The ageing analysis of trade receivables at amortised cost (net of impairment losses) of the Group, based on invoice dates, as at the end of the year is as follows:

	2024 HK$'000	2023 HK$'000
Within 1 month	**397,135**	403,872
Over 1 month but within 3 months	**287,454**	316,703
Over 3 months but within 1 year	**27,544**	29,703
Over 1 year	**—**	2,489
	712,133	752,767

The credit period on sale of goods is 7 to 90 days (2023: 14 to 90 days) from the invoice date.

Movement in the loss allowance account in respect of trade receivables at amortised cost during the year is as follows:

	2024 *HK$'000*	2023 *HK$'000*
At 1 January	**308,741**	313,948
(Reversal of provision)/provision for impairment losses recognised during the year	**(3,417)**	3,118
Exchange difference	**(9,867)**	(8,325)
At 31 December	**295,457**	308,741

Note:

	2024 *HK$'000*	2023 *HK$'000*
Trade receivables at fair value through profit or loss	**92,130**	61,859

The ageing analysis of trade receivables at fair value through profit or loss of the Group, based on invoice dates, as at the end of the year is as follows:

	2024 *HK$'000*	2023 *HK$'000*
Within 1 month	**16,844**	22,221
Over 1 month but within 3 months	**75,286**	39,638
	92,130	61,859

13. INVENTORIES

	2024 *HK$'000*	2023 *HK$'000*
Raw materials	**532,069**	639,171
Work in progress	**28,764**	19,424
Finished goods	**380,746**	626,837
	941,579	1,285,432
Less: Provision for obsolete inventories	**(99,254)**	(149,940)
	842,325	1,135,492

14. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**816,145**	1,046,866
Provision of employee benefit	**129,882**	89,027
Other tax payables	**36,840**	37,315
Other payables and accruals	**99,315**	106,840
	1,082,182	1,280,048
Less: Other payables and accruals — non-current portion	**(5,868)**	—
Trade and other payables — current portion	**1,076,314**	1,280,048

Most of trade and other payables and accruals are due to be settled within twelve months.

The ageing analysis of trade payables of the Group, based on invoice dates, as at the end of the year is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**536,384**	714,376
Over 1 month but within 3 months	**263,114**	291,472
Over 3 months but within 1 year	**12,440**	36,587
Over 1 year	**4,207**	4,431
	816,145	1,046,866

15. BORROWINGS

	2024	2023
	HK$'000	*HK$'000*
Bank loans — secured and guaranteed	**177,123**	184,880
Import loans — guaranteed	**642,410**	797,546
	819,533	982,426

The above borrowings are denominated in HK$.

The repayment schedules of the above borrowings based on the agreed terms of repayment granted by banks are as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 1 year	**650,167**	805,303
Over 1 year but within 2 years	**7,757**	7,757
Over 2 years but within 5 years	**161,609**	169,366
	819,533	982,426

The banks have overriding right of repayment on demand for all bank loans irrespective of whether the Group has complied with the covenants and met the scheduled repayment obligations. Therefore, the bank loans were entirely classified as current liabilities in the consolidated statement of financial position.

16. SHARE CAPITAL

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
		HK$'000		*HK$'000*
Authorised:				
Ordinary shares of HK$0.10 each	**1,000,000,000**	**100,000**	1,000,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK$0.10 each				
At beginning of year	**387,883,668**	**38,788**	387,683,668	38,768
Share options exercised	**—**	**—**	200,000	20
At end of year	**387,883,668**	**38,788**	387,883,668	38,788

17. CONTINGENT LIABILITY

Included in the sales of products to the U.S.A. was the Group's own brand VGA cards, which are imported to U.S.A. under the tariff code for video game consoles and machines for custom declaration. In 2023, the Group identified a classification issue on import declaration of VGA cards that U.S. Customs and Border Protection ("CBP") determined these VGA cards HTSUS Code 8473.30.1180 (for "parts and accessories of the machines of heading 8471, not incorporating a cathode ray tube") which falls under List 3 of the Section 301 of the U.S. Trade Act of 1974 (the "China Section 301 Tariff"). Such classification would lead to a 25% tariff under China Section 301 Tariff for products imported during certain different periods of time and the estimated amount of the potential tariff approximates US$25 million (approximately HK$196 million). Under lawyer's advice, the Group took an initiative to rectify the declaration in CBP in order to avoid additional penalty on unreported tariff.

On the basis of the professional advice, the Directors are of view that it was not probable that an outflow of economic benefits will be required on the above classification issue on declaration of imported goods to the U.S.A.

In July 2024, the Group filed a litigation protest to CBP to put forth that no tariffs should be payable for these products imported during certain different periods.

At date of the reporting period, the Group had paid US$11.8 million (approximately HK$91.4 million) of the total contingent liability of US$25 million (approximately HK$196 million) in connection with filing the litigation protest and consequently, this payment was recorded as other receivable in the consolidated statement of financial position are set out in note 12. Up to the date of this announcement, there is no further payment.

DIVIDEND

The Board recommends a final dividend of HK$0.15 per share payable to shareholders of the Company whose names are on the register of members of the Company. The proposed dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company ("AGM") (to be held on 25 April 2025 (Friday).

ANNUAL GENERAL MEETING

The AGM will be held on 25 April 2025 (Friday). For details of the AGM, please refer to the Notice of AGM which is expected to be published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk, the Singapore Exchange Securities Trading Limited ("SGX-ST") at www.sgx.com. and the Company's website at www.pcpartner.com on or about 28 March 2025 (Friday).

CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 17 April 2025 (Thursday) to 25 April 2025 (Friday) (both days inclusive), during which time no transfer of shares will be registered. To ensure that shareholders are entitled to attend and vote at the AGM, Hong Kong shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 16 April 2025 (Wednesday), and Singapore shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's share transfer agent in Singapore, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 by no later than 5:00 p.m. on 16 April 2025 (Wednesday) for registration of the relevant transfer.

(b) The proposed final dividend is subject to the approval of the shareholders at the AGM. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from 20 May 2025 (Tuesday) to 22 May 2025 (Thursday) (both days inclusive), during which time no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 19 May 2025 (Monday) and Singapore shareholder must deliver their duly stamped instruments of transfer, accompanied by the relevant share certificates, to the Company's share transfer agent in Singapore, B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 by no later than 5:00 p.m. on 19 May 2025 (Monday) for registration of the relevant transfer.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group manufactures VGA Cards for Original Design Manufacturer/Original Equipment Manufacturer ("ODM/OEM") customers and also manufactures and markets VGA Cards and other products under its own brands, namely ZOTAC, Inno3D and Manli. The Group's ODM/OEM contract manufacturing business, serving a global customer base, includes several top-tier computer brands based on customer specifications. The business is executed from the headquarter, supported by a team who works closely with customers worldwide. For products under own brands, the Group sells to more than 70 countries across various regions, either directly from the headquarter or through the Group's subsidiaries in Hong Kong, Japan, Korea, the PRC and the U.S.A.. These subsidiaries act as importers for their respective regions and sell the products onward to regional customers and distributors. The Group's business relationships with NVIDIA and AMD, the two globally dominant graphics processing unit ("GPU") suppliers, enable the Group to develop cost-competitive, high-performance products and solutions to serve the customers.

The Group provides EMS to globally recognised brands, including major providers of Automatic Teller Machines ("ATM") and Point-Of-Sales ("POS") systems, industrial devices such as accelerator cards and control cards, and various types of consumer electronic products such as electronic clocks and wireless thermometers. Apart from the manufacturing of VGA Cards, the Group also designs and develops other PC-related products, such as mini-PCs and PC motherboards, under the ZOTAC brand or for other parties.

In addition, the Group trades PC-related components. The VGA Cards business, under the Group's own brands, is expected to remain a key driver of the Group's growth in the coming years. The increasing demand for high-performance gaming graphics, driven by the popularity of PC gaming, particularly immersive games, has resulted in strong demand from enthusiast consumers. The rise of electronic sports and streaming has also fueled demand for VGA Cards capable of supporting high frame rates and resolutions. Technological advancements such as ray tracing and artificial intelligence-accelerated rendering, continue to drive an uptrend in demand. In addition, the future of artificial intelligence ("AI") PCs will require powerful VGA Cards to deliver efficient performance and meet consumer expectations. The VGA Card industry remains dynamic and technologically driven, with continued innovation and evolution expected to meet the growing demand for PC gaming, content creation and other GPU accelerated workloads.

Business Performance

PC Partner has continued to solidify its position as a key player in the PC components and hardware industry, and has strategically repositioned the resources by a relocation of its headquarter to Singapore and a secondary listing on the SGX-ST together with a new manufacturing facility being set up in Batam, Indonesia. All of these changes enable the Group to expand the presence in Southeast Asia region and explore new global business opportunities.

PC Partner reported a revenue increase of HK$914.7 million, or 10.0%, from HK$9,167.2 million in FY2023 to HK$10,081.9 million in FY2024, driven by strong demand of VGA Cards with the NVIDIA's "SUPER" series GPU launched in January 2024. The gaming industry has continued to thrive, with an increasing number of consumers upgrading their systems for enhanced performance especially with new high performance GPU launched. Both the own brand and the ODM/OEM VGA Cards businesses together contributed a sales growth of HK$1,215.7 million, or 16.7%, from HK$7,266.1 million in FY2023 to HK$8,481.8 million in FY2024. The brand business remained to be the major revenue driver with a sales rebound for HK$626.7 million, or 10.8%, from HK$5,815.6 million in FY2023 to HK$6,442.3 million in FY2024 and the non-brand business segment has achieved a growth of HK$288.0 million, or 8.6%, from HK$3,351.6 million in FY2023 to HK$3,639.6 million in FY2024.

The Group has achieved a substantial improvement of net profit margin from 0.7% in FY2023 to 2.6% in FY2024 which resulted from a stronger demand of the new VGA Cards with NVIDIA's "SUPER" series GPUs and the Group was able to incur less spending on advertisement and promotion on sales stimulation. The Group has also spent a total of HK$123.3 million on setting up of the Singapore headquarter together with the capital expenditure on setting up the new manufacturing facility in Batam, Indonesia. In addition, the Group has spent a total of HK$21.4 million for the listing exercise on the SGX-ST during the year. The Group has continued to record a strong cash inflow and consistently demonstrated a strong balance sheet with progressive improvement in liquidity.

Business Compliance

The Group has achieved an on-going compliance with laws and regulations with its operating entities, and fulfilled different social responsibilities according to ISO9001, ISO14001, ISO45001, QC080000, ISO13485 and the code issued by Responsible Business Alliance ("RBA").

Potential Risks and Uncertainties

Concentration risk of reliance on NVIDIA as a major supplier of GPUs, and may be adversely affected by any disruption or termination of the business relationships with NVIDIA or fluctuations in their supply of GPUs

The Group relies heavily on NVIDIA for the provision of reliable sources of GPUs. NVIDIA has been one of the Group's largest suppliers in respect of GPUs since 2006. Purchases from NVIDIA accounted for approximately 67.9% of the Group's total purchases in past years. If NVIDIA experiences disruptions in its production, supply chain or trade, it may negatively impact the availability of GPUs used in VGA Cards produced by the Group and hence affect the business operations and financial results of the Group.

The Group's reliance on NVIDIA for its GPUs also exposes itself to risks arising from the potential instability and variability in NVIDIA's allocation of these critical components. This dependence makes it challenging for the Group to find alternative suppliers who can match NVIDIA's technological offerings, capabilities, performance standard and brand recognition. Such reliance, in addition to NVIDIA's dominance in the market, limits the availability of suitable alternatives for the Group. Consequently, any disruption in the relationship with NVIDIA or changes in their allocation strategy could have severe repercussions on the business, financial condition, results of operations, cash flows and prospects of the Group. In recent years, there has also been a noticeable shift in NVIDIA's business focus towards AI applications, which may result in a reallocation of NVIDIA's resources towards advanced GPUs to support their fast-growing AI business segment. If NVIDIA prioritises such AI-related products, the Group and the peer in the gaming GPUs industry may experience delays or shortages in obtaining the necessary GPUs to manufacture VGA Cards. This could disrupt the supply chain, leading to potential delays in product releases, reduced product availability and increased procurement costs which could result in a negative impact on the Group's business, financial condition, results of operations, cash flows and prospects.

While we have continued to maintain a strong relationship with NVIDIA, there is no assurance that we will remain a NVIDIA Add-In-Card ("AIC") partner and that NVIDIA will continue their supply relationships with the Group or will allocate sufficient GPUs to the Group to satisfy the business demand or will maintain their prices at current levels. Any disruption in supply or any unfavourable terms offered by NVIDIA may result in expending time and resources in finding suitable alternative solution. The business, financial condition, results of operations, cash flows and prospects of the Group could be materially and adversely affected.

There is no assurance as to the successful conversion to a primary listing of the Shares on the SGX-ST and/or the successful delisting of the Shares from The Stock Exchange of Hong Kong Limited (the "SEHK")

While the shares are currently primary-listed on the SEHK and secondary-listed on the SGX-ST, there is no assurance that the Company's secondary listing status on the SGX-ST will successfully be converted to a primary listing status in order for the shares to be delisted from the SEHK. The Group may not be able to satisfy the listing requirements and continuing listing obligations applicable to primary listed companies on the SGX-ST. In the event that the shares cannot be primary listed on the SGX-ST, the Group cannot delist the Shares from the SEHK. Further, the withdrawal of the listing from the SEHK is subject to the approval of the shareholders and the SEHK. If the shares are not primary-listed on the SGX-ST and/or delisted from the SEHK, the Group is facing a risk of being unable to procure high-end GPUs under exiting or potential new trade restriction in future which would in turn limit the Group's ability to realise certain of its business plans and growth strategies.

The Group operates in a highly competitive landscape and any failure to compete or respond effectively to changes in market trends and customer preferences could result in losing market share and revenue

The Group operates in a highly competitive landscape where product life cycles undergo continual compression. The introduction of new products requires substantial resource allocation across development, production, sales and marketing. Any delay in adapting to these shifting market dynamics will expose the Group to the risk of falling behind competitors. Failure to adapt to emerging technological change in time or at all and to develop products aligned with current market trends in a timely manner may have adverse consequences to the Group's business. Changing consumer demand and expectations, coupled with such new and other disruptive technologies, may pose a challenge to the business and operations of the Group.

The Group's major competitors are other computer electronics manufacturers, some of which may enjoy advantages over the Group, such as greater financial resources, access to raw materials and components, economies of scale, widespread brand name recognition and established market relationships in certain markets. As a result, these competitors may find it easier to source materials at a bargain price in comparison to the supplies to the Group, which leads to a lower cost competitive advantage. The Group may have to lower the profit margin of its products in order to stay competitive with other industry players or lose sales in competition if the procurement cost of materials and components are in general higher than other industry players.

Dependence on the services of the executive directors and other key executives

The Group's performance depends on the continued services and performance of executive directors, senior management, and sales representatives in different regions. The loss of service of any of the executive directors and key management could impair the Group's ability to operate and make it difficult to execute the Group's business strategies. A continued success is therefore dependent to a large extent on the ability to retain such key management personnel. The loss of services of any of key management personnel without suitable and timely replacements may materially and adversely affect the business, financial condition, results of operations and prospects of the Group.

The Group's performance and its future success also depends on its ability to attract, retain and motivate its key officers and employees. In the event that the Group needs to substantially increase employee compensation levels to attract, retain and motivate any key personnel, the costs of the Group may increase and the financial performance of the Group may be materially and adversely affected. The loss of the services of key personnel, without suitable or comparable replacements in a timely manner, or the inability to identify, hire, train and retain other qualified technical and/or managerial personnel in the future may materially and adversely affect the business, financial condition, results of operations and prospects of the Group and adversely affect the performance of the Group.

Unexpected disruptions to our manufacturing facilities and production processes

Disruptions in the manufacturing facilities and production processes, whether arising from geopolitical tensions, natural disasters, transportation challenges, or supplier insolvency, could have a significant adverse impact on the Group's production capacity. Such disruptions may result in increased costs, production delays, and failure to fulfil customer demand, thereby potentially harming the Group's reputation, business operations, and overall performance.

Moreover, due to geopolitical factors and regional considerations, there has been an increasing inquiry from customers for non-China production options. This trend suggests a potential shift in demand or concerns related to supply chain disruptions. If the Group fail to adequately address these customer requirements or diversify its production capabilities, the Group may experience a decline in orders and ultimately resulting in a loss of revenue.

Inability to procure a highly competitive materials, components and maintain the manufacturing cost

A significant portion of the Group's overall expenses is attributed to the costs of components and materials. The primary raw materials and components utilized in our products include application-specific integrated circuits ("ASICs"), random access memory ("RAM"), printed circuit boards ("PCBs"), thermal modules, and various other electronic components. Collectively, these materials account for over 90% of the Group's total material costs.

Any substantial increase in the costs of these raw materials and components could have an adverse impact on the Group's manufacturing cost, business operations, financial condition, and overall performance. Furthermore, the Group may face more fierce competition from its competitors which have a relatively stable supply of materials and components. If the Group be unable to transfer any increase in the prices of raw materials to its customers, it could further jeopardize profitability and financial performance.

Sale of VGA Cards accounted for a significant proportion of revenue and profitability

Revenue generated from VGA Cards may continue to represent a significant portion of the revenue in the foreseeable future. The Group may be subject to concentration risk from the single business segment.

Any adverse developments, such as a decline in the popularity of the VGA Cards, could result in a substantial reduction in the income of the Group. Further, such high concentration of income from this business segment also increases the vulnerability of the Group to product-specific risks, such as changes in market demand, competitive pressures, and/or any negative outcome of strategic decisions made by the Group in respect of VGA Cards sold.

The Group cannot assure that demand for the VGA Cards will not be negatively affected by changes in market demand, competitive pressures, and/or any negative outcome of strategic decisions made by the Group in respect of these products. If any of the foregoing results in a reduction in demand or cessation of orders for VGA Cards, the business, financial position, results of operations, prospects and cash flow of the Group may be materially and adversely affected.

Continued or enhanced threats of trade tariffs, import and export restrictions, tax, foreign regulations and/or other trade barriers may have a material adverse effect on the Group's business

Certain jurisdictions impose restrictions on exports of technology originating from within their borders. These restrictions can take the form of foreign trade policies, economic sanctions, treaties, government regulations and tariffs. They can prohibit the export of products to particular individuals, enterprises or jurisdictions, or for certain prescribed purposes. They can also require that an export license, permit and/or approval be obtained before the Group may export products to a particular individual, enterprise or jurisdiction.

Business growth may be slowed, and the Group's business, financial position, results of operations, cash flows and prospects may be adversely impacted by any new or revised import restrictions, tariffs on imports, import licensing requirements or other trade protection measures on the importation, sale, shipment or other transfer of finished products, components or software imposed different jurisdictions or regions. Furthermore, the Group could in the future become subject to additional tax, in which case the Group may be exposed to potential risks associated with tax compliance and the possibility of additional tax liabilities arising from historical or future audit, costs or other regulatory changes and/or restrictions arising from changes in applicable law, interpretation of such laws, or changes in the manner in which the Group operates.

The Group may be adversely affected by political, geopolitical, economic or social developments in any of the countries in which the Group operates. In particular, trade restriction on advanced computing integrated circuits (the "Trade Restrictions") may prevent technology companies in the U.S.A., such as NVIDIA, which is the major supplier of GPUs, to export Advanced ICs to the Group with operation in the Greater China region and even in South East Asia region in future.

Ability to continuously introduce new innovative products through the research and development ("R&D") efforts and to adapt to changes in new technologies, engineering and production advancement and processes

The computer electronics manufacturing industry is characterised by rapid technological changes, constant innovation and keen global competition. The industry is also susceptible to changes in product life cycles. These rapid technological developments require the Group to consider the regulatory standards, integrate new technology into products, develop new and relevant product categories and adapt to changing business models in a timely manner.

Competitors may develop or acquire alternative and competing technologies and standards that could allow them to develop new and disruptive products and/or produce similar, competitive products at lower costs of production, thus rendering the Group's products less competitive or even obsolete. Ability to compete effectively will therefore depend on the Group's ability to adapt to advancements in engineering and production technologies to meet customers' needs, ability to identify and leverage on new trends in the electronics market and ability to innovate on R&D capabilities. For example, the introduction of new games which do not require sophisticated graphics and the advent of cloud computing which may diminish demand for high performance gaming hardware, are trends that could potentially render current products obsolete.

Expenditures incurred in connection with developing new products and/or enhancing the existing products and upgrading of the existing facilities are likely to be incurred in advance of any increased sales. The Group cannot assure that sales revenue will increase after these expenditures are incurred. The business and results of operations may be adversely affected if the Group does not operate as efficiently and effectively as competitors or if the Group cannot adapt on a timely basis to technological changes or unable to effectively engage in R&D to introduce new products which meet the needs of the market in a timely manner, all of which could materially and adversely affect the business, financial position, results of operations and prospects of the Group.

Business operations may be materially and adversely affected if the Group fails to comply with laws, regulations and conditions stipulated in any licences, permits, registrations or approvals, and/or is unable to obtain, maintain and/or renew the required licenses, permits, registrations and approvals

In carrying out the business operations, the Group is required to comply with relevant laws and regulations and obtain certain licences, permits, registrations and approvals from various governmental authorities in the countries that we operate in. In the event that the Group fails to comply with the relevant laws and regulations may be penalised and/or subject to civil liabilities for such breaches of law or regulation and/or may be required, and the business, financial position, results of operations and prospects of the Group may be adversely affected as a result.

If the Group is held to be in violation of any legal or regulatory requirements, including any additional conditions which may be stipulated by courts or governmental or supranational agencies from time to time, the Group may have to pay fines, modify, suspend or discontinue the operations, incur additional operating costs or make capital expenditures to comply with these laws and regulations.

In addition, some of these licences, permits, registrations and approvals may be subject to periodic renewal and reassessment by the relevant authorities, and the standards of compliance required in relation thereto may from time to time be subject to changes. New laws, regulations or policies may also be introduced. Accordingly, the Group has to constantly monitor and ensure compliance with the relevant conditions, laws and regulations.

There is also no assurance that the regulatory environments in which the Group operates will not change significantly or become more stringent or potentially more adverse in the future. Compliance with any changes in existing or new laws and regulations may increase the compliance costs. In the event that the Group fails to comply with the relevant laws and regulations, it may be penalised for such breaches of law or regulation, and its business, financial position, results of operations and prospects may be adversely affected as a result.

Inventory risks could adversely affect the financial condition and operating results

The Group is exposed to inventory risks that may subject the Group to inventory write-downs and adversely affect the operating results whether as a result of rapid changes in technology or otherwise which renders the finished products as well as raw materials and components obsolete. Under its inventory policy, the Group assesses and makes provisions for stock obsolescence on a monthly basis on slow-moving items for inventory aged over one year. The Group may not be able to assess customer demand or change in consumer preference accurately, resulting in inventory build-up and possible significant inventory writedown or the sale of slow-moving inventory at a significant discount or substantial loss which could adversely affect the business, financial position, results of operations and prospects of the Group.

The Group may be adversely affected by the uncertain global economic outlook

Many countries have experienced increasing inflationary pressure as a result of liberal monetary policy or excessive foreign fund inflow, or both. Geopolitical issues and controversy over trade barriers have triggered the implementation or proposed implementation of tariffs on certain products imported into the different nations. Fast changing trade policies could significantly undermine the stability of the global economies.

The continued threats of tariffs, trade restrictions, trade barriers and tensions over trade and technology between the PRC and the U.S.A. could have a generally disruptive impact on the global economy, and may negatively affect consumer spending and corporate capital expenditure confidence levels. A step up in trade restrictions and tariffs imposed on the import and export of technology and products between the PRC and the U.S.A. would increase the cost of products which will ultimately be passed on to consumers. This may discourage and reduce consumer and corporate demand in the long run.

Uncertainty in the global economic recovery has escalated fears and increased uncertainties in global markets. It is difficult to predict how long such a situation will last and how the markets and businesses may be affected. Accordingly, these situations could potentially present risks to the Group, including an increase in interest expenses on bank borrowings, thereby materially and adversely affecting its business operations and future financial performance. Given the uncertainties to the future economic outlook, the Group cannot give any assurance to maintain or continue to grow the revenue and profits, or to the ability of the Group to react promptly to any change in economic conditions. In the event that the Group fails to react promptly to the changing economic conditions, the business, financial position, results of operations and prospects of the Group could be adversely affected.

Adverse changes in economic and political policies of the PRC government could have a material adverse effect on overall economic growth in the PRC, which could materially and adversely affect the business

The Group is influenced by the economic, social, political and legal developments in the PRC, including government policies affecting the level of development, growth rates, foreign exchange controls, allocation of resources, rate of inflation and trade balance position. Any adverse changes in economic conditions in the PRC, the policies of the PRC government or PRC laws and regulations could have a material and adverse effect on the overall economic growth of the PRC. Such developments could lead to reduction in demand for products, resulting in a slowdown of the Group's sales revenue.

Outlook

As the next generation of Blackwell gaming GPU launched in January 2025, the new VGA Cards with Blackwell technology will uplift gaming performance and enhance gamer experience. The Group believes the Blackwell VGA Cards will trigger strong demand in the market, driven by the superior performance and innovative features that cater to the needs of gamers and content creators.

The Trump Administration signed an executive order imposing additional tariff on imports from China with effective within a short period of time on 4 February 2025. With its new production facility in Indonesia, the Group is able to react quickly to rearrange its production plan to assemble products for U.S. market outside China. The Group's new setup increases flexibility regarding trade restrictions and tariffs, enabling it to seize new business opportunities.

PC Partner is committed to innovation and new product development. The Group has launched a few new products last year, including handheld personal computers, medical-grade computers and a new product line of GPU servers for artificial intelligence and machine learning applications. The Group will continue looking into new products development opportunities and invest in product innovation and operational excellence to deliver increased returns to the Company's shareholders.

Financial review

Revenue

Revenue recorded an increase of HK$914.7 million, or 10.0%, from HK$9,167.2 million in FY2023 to HK$10,081.9 million in FY2024, mainly driven by an increase in sales of VGA Cards especially under both the own brand and the ODM/OEM business segments.

The VGA Cards segment recorded an increase of HK$1,215.7 million, or 16.7%, from HK$7,266.1 million in FY2023 to HK$8,481.8 million in FY2024. The launch of NVIDIA's "SUPER" series in the first quarter of the year focusing on high-end GPUs had a positive contribution to the sales of both its own brand and ODM/OEM VGA Cards as the "SUPER" series had received positive consumer and market feedback in terms of its price to performance ratio.

Sales of our Group's own brand VGA Cards increased by HK$656.9 million, or 11.6%, from HK$5,661.2 million in FY2023 to HK$6,318.1 million in FY2024. The change was mainly attributable to an increase in sales volume especially in the PRC market. In addition, sales of our Group's own brand VGA Cards utilising NVIDIA's "SUPER" series GPUs with a better price to performance ratio achieved higher sales as compared to the non "SUPER" series GPUs.

Sales of ODM/OEM VGA Cards increased by HK$558.8 million, or 34.8%, from HK$1,604.9 million in FY2023 to HK$2,163.7 million in FY2024. The change was mainly due to higher demand from customers and additional projects utilising NVIDIA's "SUPER" series GPUs with higher average selling price ("ASP"). In addition, ODM/OEM projects utilising the "RTX4090 D" model designated for the PRC market had also received strong demand from customers. Both the "SUPER" series and the "RTX4090 D" model generated higher sales revenue with higher ASP and an overall increase in the sales of ODM/OEM VGA cards for FY2024.

The EMS business recorded a decline of HK$62.6 million, or 8.5%, from HK$739.0 million in FY2023 to HK$676.4 million in FY2024. Although the Group had received more orders in relation to ATM and POS systems, it was not able to fully offset the decline in orders from other EMS segment customers.

Sales of other PC-related products and components decreased by HK$238.4 million, or 20.5%, from HK$1,162.1 million in FY2023 to HK$923.7 million in FY2024. The change was mainly due to a decrease in the component trade business and together with a decline in sales of mini-PCs.

Revenue of brand business increased by HK$626.7 million, or 10.8%, from HK$5,815.6 million in FY2023 to HK$6,442.3 million in FY2024. New VGA Cards with NVIDIA's "SUPER" series GPUs had also positively contributed to the sales revenue which was resulted on a higher level of sales quantity. The non-brand business which includes component trading recorded an increase in revenue of HK$288.0 million, or 8.6%, from HK$3,351.6 million in FY2023 to HK$3,639.6 million in FY2024. The change of non-brand business was mainly contributed by a higher ASP which offset against a decline of quantity under the non-brand business segment.

Revenue by geographical regions

Regional business performance was affected by geopolitical issues, government policies, and the economies of different regions and countries. The APAC region and the PRC region recorded an increase in revenue of 33.0% and 6.4% respectively. However, revenue from the NALA and EMEAI regions recorded a drop of 0.5% and 11.9% respectively.

APAC Region

In the APAC region, revenue increased by HK$1,080.8 million, or 33.0%, from HK$3,274.2 million in FY2023 to HK$4,355.0 million in FY2024. The change was mainly due to more ODM/OEM orders for VGA Cards as well as strong demand of both ODM/OEM and own brand VGA Cards utilising NVIDIA's "SUPER" series GPUs that had driven a higher sales for the year.

NALA Region

In the NALA region, revenue amounted to $1,275.6 million in FY2024, representing a decrease of HK$6.7 million, or 0.5%, as compared to HK$1,282.3 million in FY2023. The change was mainly due to an absence of the top-of-the-line "RTX 4090" VGA Cards in FY2024 as a result of the Trade Restrictions that contributed HK$210.8 million to revenue in FY2023. The sales of new VGA Cards with NVIDIA's"SUPER" series GPUs had partially mitigated the decline in sales of the region.

PRC

In the PRC, revenue amounted to HK$2,263.1 million in FY2024, representing an increase of HK$135.8 million, or 6.4%, as compared to HK$2,127.3 million in FY2023. The change was primarily due to an increase in sales of the Group's own brand VGA Cards, and the new "RTX4090 D" GPU that was developed specially for the PRC market contributing to sales under both the brand and ODM/OEM business segments in FY2024. In addition, the new VGA Cards with NVIDIA's "SUPER" series GPUs also contributed to the sales rebound for FY2024 as compared to FY2023.

EMEAI Region

In the EMEAI region, revenue amounted to HK$2,188.2 million in FY2024, representing a decrease of HK$295.2 million, or 11.9%, as compared to HK$2,483.4 million in FY2023. Demand in the region declined due to high interest rates which discouraged spending on high ASP products such as VGA Cards. In addition, there was an absence of the top-of-the-line RTX 4090 VGA Cards in the region in FY2024 as a result of the Trade Restrictions which previously contributed HK$383.4 million in revenue in FY2023. However, the launch of new VGA Cards utilising NVIDIA's "SUPER" series GPUs which had received positive market feedback mitigated part of the sales decline in FY2024.

Cost of sales

Raw material costs increased by HK$681.2 million, or 8.3%, from HK$8,225.3 million in FY2023 to HK$8,906.5 million in FY2024 in line with the sales increase in FY2024. Raw material costs as a percentage of sales decreased by 1.4% from 89.7% in FY2023 to 88.3% in FY2024, which was mainly due to a strong demand for the new VGA Cards with NVIDIA's "SUPER" series GPUs. There was also significantly fewer price promotion activities and discounts for clearance of end-of-life brand business VGA Cards for FY2024 as compared to FY2023. The Group's conversion cost which consists of direct labour and production overheads decreased by HK$21.3 million, or 8.8%, from HK$241.2 million in FY2023 to HK$219.9 million in FY2024. It was mainly due to a total increase in sales volume of ODM/OEM and brand VGA Cards by 10.3% together with a continuous enhancement of the manufacturing efficiency.

Gross profit and margin

The Group's gross profit in the FY2024 was HK$955.5 million, representing an increase of HK$254.8 million, or 36.4%, as compared with HK$700.7 million in FY2023. Gross profit margin was 9.5% in FY2024 as compared with 7.6% in FY2023. The change was mainly due to an increase in sales of ODM/OEM VGA Cards together with a strong demand for new VGA Cards with NVIDIA's "SUPER" series GPUs which had contributed to a higher gross profit margin and did not require significant sales promotions or discounts for the year. In addition, there was also significantly fewer price promotion activities and discounts for end-of-life of the Group's own brand VGA Cards during the year.

Other revenue and other gains and losses, net

Other revenue and other gains and losses, net increased by HK$20.2 million, or 65.6%, from HK$30.8 million in FY2023 to HK$51.0 million in FY2024. The change was mainly due to a significant increase in interest income of HK$13.6 million from HK$50.2 million in FY2023 to HK$63.8 million in FY2024. In addition, the Group received an increase in government grants of HK$2.8 million from HK$2.4 million in FY2023 to HK$5.2 million and gain on disposal of a joint venture of HK$8.0 million in FY2024. The above items had fully offset the net exchange losses that increased by HK$1.2 million from HK$29.1 million in FY2023 to HK$30.3 million in FY2024.

Selling and distribution expenses

Selling and distribution expenses decreased by HK$8.6 million, or 6.2%, from HK$138.2 million in FY2023 to HK$129.6 million in FY2024. The change was mainly due to a decrease in advertising and marketing expenses in FY2024 as compared to prior year because the new VGA Cards with NVIDIA's "SUPER" series GPUs received good market response which required fewer sales and marketing activities to stimulate product sales. In addition, the Group had incurred less on sales promotion activities on end-of-life of the Group's own brand VGA Cards since most of the end-of-life of such VGA Cards had been cleared in FY2023.

Administrative expenses

Administrative expenses were HK$89.2 million higher than last year, which represents an increase by 20.1% from HK$442.8 million in FY2023 to HK$532.0 million in FY2024. Staff costs and directors' remuneration increased by HK$64.1 million, or 19.8%, from HK$323.0 million in FY2023 to HK$387.1 million in FY2024. This was mainly associated with a provision for staff performance bonus and directors' profit sharing due to the increase in profit in FY2024. Other administrative expenses increased by HK$25.1 million, or 21.0%, from HK$119.8 million in FY2023 to HK$144.9 million in FY2024, mainly due to increased spending on professional and consulting fees associated with the Singapore listing.

Reversal of provision/(provision) for impairment losses on financial assets

Impairment losses on financial assets decreased by HK$6.5 million from provision for impairment loss of HK$3.1 million in FY2023 to reversal of provision for impairment loss of HK$3.4 million in FY2024. This was mainly due to reversal of provision of impairment loss of a customer in FY2024.

Finance costs

Finance costs decreased by HK$22.5 million, or 37.9%, from HK$59.3 million in FY2023 to HK$36.8 million in FY2024. The change was mainly due to a decline in bank borrowings as the Group relied more on internal surplus reserves and cash to finance the majority of its procurement needs in FY2024.

Income tax expenses

Income tax expenses of HK$50.9 million were recorded in FY2024, which represents an increase by HK$22.7 million, or 80.5%, from HK$28.2 million in FY2023. The change was mainly due to an increase in profit of some of the major operating subsidiaries of our Company in FY2024.

Profit for the year attributable to owners of the Company

As a result of the above factors, the Group recorded a profit attributable to owners of the Company of HK$262.1 million in FY2024 as compared to a profit attributable to owners of the Company of HK$60.8 million in FY2023. The increase in profit was mainly due to an improvement in gross profit margin which offset higher expenses for the year.

Earnings per share and Dividends

The profit attributable to owners of the Company in FY2024 was HK$262.1 million which resulted in basic earnings of HK$0.68 per share and diluted earnings of HK$0.68 per share. Profit attributable to owners of the Company in FY2023 was HK$60.8 million with basic earnings of HK$0.16 per share and diluted earnings of HK$0.16 per share. In view of the financial performance for FY2024 together with a strong net cash position, the Board proposed a final dividend of HK$0.15 per share for the year ended 31 December 2024 and it is estimated to be HK$58.2 million in total.

Financial Position

Non-current assets

The Group's total non-current assets increased by HK$108.8 million, or 16.3%, from HK$667.5 million as at 31 December 2023 to HK$776.3 million as at 31 December 2024. The change was mainly due to an increase in net book value of property, plant and equipment and right-of-use assets.

Net book value of property, plant and equipment increased by HK$79.6 million, or 14.3%, from HK$557.4 million as at 31 December 2023 to HK$637.0 million as at 31 December 2024. The increase was mainly due to an additional investment to set up a new manufacturing site in Indonesia in FY2024. In addition, the Group had newly set up and relocated its headquarter to Singapore during the year which would also result in an increase of net book value of property, plant and equipment for the year.

Right-of-use assets increased by HK$16.6 million, or 17.9%, from HK$92.6 million as at 31 December 2023 to HK$109.2 million as at 31 December 2024, mainly due to the entering into of lease contracts for the setting up in Southeast Asia of both the Singapore headquarter and the Indonesia manufacturing plant.

Intangible assets consist of brand name and goodwill which was acquired through acquisitions of businesses. Goodwill has been fully impaired. As the valuation of the brand name using the income-based approach is higher than its carrying value, there was no impairment loss of the brand name and the carrying value remained unchanged as at 31 December 2024.

Other financial asset consists of an investment in 1% of the preferred stock of a private and unrelated company incorporated in the USA. The Group had irrevocably elected at initial recognition to measure the investment at fair value through other comprehensive income and no dividends have been received since the Group made the investment in a virtual reality experience company in 2017. There was no impairment loss recognised, so the carrying value remained unchanged as at 31 December 2023 and 31 December 2024 at HK$1.2 million.

Deferred tax assets increased by HK$1.8 million, or 31.0%, from HK$5.8 million as at 31 December 2023 to HK$7.6 million as at 31 December 2024, mainly due to an increase in tax losses of some members of the Group.

Trade and other receivables consist of deposits, prepayment and other receivables amounting to HK$8.3 million, HK$7.7 million and HK$0.5 million respectively as at 31 December 2024. Trade and other receivables under non-current assets increased by HK$10.8 million, or 189.5%, from HK$5.7 million as at 31 December 2023 to HK$16.5 million as at 31 December 2024 mainly due to new rental deposit paid and prepayments to acquire equipment for new leased properties of both the Singapore headquarter office and the new manufacturing premises in Batam, Indonesia.

Current assets

The Group's total current assets decreased by HK$389.0 million, or 8.4%, from HK$4,627.9 million as at 31 December 2023 to HK$4,238.9 million as at 31 December 2024. The change was mainly due to a decrease in inventories and together with cash and bank balances which offset an increase of trade and other receivables.

Inventories of the Group as at 31 December 2024 were HK$842.3 million which decreased by HK$293.2 million, or 25.8%, as compared with HK$1,135.5 million as at 31 December 2023. Inventories decreased on both raw materials and finished goods which was mainly due to insufficient GPU supply in the last quarter of the year together with the channel market running short of inventories of VGA cards speed up shipment of finished products. Raw materials decreased by HK$95.7 million, or 16.6%, from HK$575.3 million as at 31 December 2023 to HK$479.6 million as at 31 December 2024. Finished goods decreased by HK$206.7 million, or 38.2%, from HK$541.1 million as at 31 December 2023 to HK$334.4 million as at 31 December 2024. Work-in-progress goods increased by HK$9.2 million, or 48.2%, from HK$19.1 million as at 31 December 2023 to HK$28.3 million as at 31 December 2024 due to production ramped up to fulfill the sales demand.

Trade and other receivables under current assets consisting of trade receivables at amortised cost, trade receivables at fair value through profit and loss, other receivables, deposits and prepayment, increased by HK$86.8 million, or 9.7%, from HK$894.1 million as at 31 December 2023 to HK$980.9 million as at 31 December 2024. Trade receivables at amortised cost decreased by HK$40.5 million, or 5.4%, from HK$752.7 million as at 31 December 2023 to HK$712.2 million as at 31 December 2024. The decrease was mainly due to a decrease in sales by end of the year, which resulted in a lower trade receivables balance as at 31 December 2024. Trade receivables at fair value through profit or loss increased by HK$30.2 million, or 48.8%, from HK$61.9 million as at 31 December 2023 to HK$92.1 million as at 31 December 2024. The change was due to an increase in sales on credit subject to a factoring arrangement with banks by end of the year relative to end of FY2023.

As at 31 December 2024, total expected credit loss ("ECL") provision of about HK$1.4 million, HK$1.9 million, HK$1.5 million, HK$10.4 million and HK$280.3 million was recognised for trade receivables at amortised cost aged "Not past due", "Within 1 month past due", "Over 1 month within 3 months past due", "Over 3 months but within 1 year past due" and "Over 1 year past due" respectively under the ECL assessment on both individual and collective basis. As at 31 December 2023, total ECL provision of about HK$0.3 million, HK$0.5 million, HK$0.5 million, HK$1.7 million and HK$305.7 million was recognised for trade receivables at amortised cost aged "Not past due", "Within 1 month past due", "Over 1 month within 3 months past due", "Over 3 months but within 1 year past due" and "Over 1 year past due" respectively under the ECL assessment on both individual and collective basis. As at 14 February 2025, the Group has collected a total of HK$668.7 million representing 60.8% of the gross carrying amount of trade receivables as at 31 December 2024.

Other receivables, deposits and prepayment under current assets increased by HK$97.1 million, or 122.1%, from HK$79.5 million as at 31 December 2023 to HK$176.6 million as at 31 December 2024. This was mainly associated with the rectification in FY2024 of duties payable to the CBP in respect of our Group's VGA Cards imported in FY2021.

Right of return assets decreased by HK$9.6 million, or 24.9%, from HK$38.6 million as at 31 December 2023 to HK$29.0 million as at 31 December 2024. The change was mainly due to a decrease in sales return for credit by end of the year.

Current income tax recoverable decreased by HK$15.8 million, or 23.1%, from HK$68.5 million as at 31 December 2023 to HK$52.7 million as at 31 December 2024. The decrease in income tax recoverable was mainly due to an increase in assessable profit of certain subsidiaries of the Company.

The Group's cash and bank balances decreased by HK$157.2 million, or 6.3%, from HK$2,491.2 million as at 31 December 2023 to HK$2,334.0 million as at 31 December 2024. This was mainly due to higher utilization of surplus cash on hand to finance procurement and operations during the year.

Current liabilities

The Group's total current liabilities decreased by HK$378.3 million, or 15.4%, from HK$2,452.2 million as at 31 December 2023 to HK$2,073.9 million as at 31 December 2024. The change was mainly due to a decrease in trade and other payables together with bank borrowings.

Trade and other payables decreased by HK$203.7 million, or 15.9%, from HK$1,280.1 million as at 31 December 2023 to HK$1,076.4 million as at 31 December 2024. Trade payables decreased by HK$230.7 million, or 22.0%, from HK$1,046.9 million as at 31 December 2023 to HK$816.2 million as at 31 December 2024. The change was mainly due to a decline in purchase of raw materials by end of the year due to a shortage of GPU supply. Other payables increased by HK$27.0 million, or 11.6%, from HK$233.2 million as at 31 December 2023 to HK$260.2 million as at 31 December 2024. The increase resulted from the provision for staff performance bonus and directors' profit sharing as at 31 December 2024.

Refund liabilities are related to the customer's right of return of defective products within the warranty period. At the point of sales, a refund liability and a corresponding adjustment to revenue is recognised for products expected to be returned. The Group uses its accumulated historical experience to estimate the sales amount of returned goods. Refund liabilities decreased by HK$13.2 million, or 27.0%, from HK$48.8 million as at 31 December 2023 to HK$35.6 million as at 31 December 2024, mainly due to lower returns of goods in FY2024.

Contract liabilities decreased by HK$9.2 million, or 15.1%, from HK$61.0 million as at 31 December 2023 to HK$51.8 million as at 31 December 2024. The change was mainly due to a decrease in customer prepayments to secure purchase of products by end of the year.

The Group's bank borrowings decreased by HK$162.9 million, or 16.6%, from HK$982.4 million at 31 December 2023 to HK$819.5 million as at 31 December 2024. This was mainly due to the Group utilising free cash flow to finance procurement and operations during the year.

Under the terms of certain sales agreements of the Group, the Group will rectify any product defects and returns arising within warranty period. A provision for product warranties and returns is therefore made for the best estimate of the expected settlement of warranty claims under such sales agreements. The amount of provision takes into account the Group's recent claim experience and is only made where a warranty claim is probable. The provision for product warranties and returns decreased by HK$0.6 million, or 1.5%, from HK$41.1 million as at 31 December 2023 to HK$40.5 million as at 31 December 2024.

The Group leases a number of properties in the jurisdictions where it operates. The terms of property leases vary among the jurisdictions. The lease terms of contracts are generally from 1 to 10 years which include the period covered by extension options. The Group also leases offices, office equipment and motor vehicles. All leases comprise only fixed payments over the lease terms. The current lease liability increased by HK$7.3 million, or 24.2%, from HK$30.2 million as at 31 December 2023 to HK$37.5 million as at 31 December 2024. The change was mainly due to additional lease liabilities regarding the setting up in Southeast Asia of the Singapore headquarter office and the new manufacturing facility in Batam, Indonesia.

Current income tax liabilities increased by HK$4.0 million, or 46.5%, from HK$8.6 million as at 31 December 2023 to HK$12.6 million as at 31 December 2024. The change was mainly associated with a higher profit being achieved under some of the members of the Group.

Non-current liability

Non-current liability consists of non-current lease liabilities and other payables which increased by HK$10.3 million, or 14.9%, from HK$69.0 million as at 31 December 2023 to HK$79.3 million as at 31 December 2024. The increase was mainly associated with additional leases for the setting up in Southeast Asia of both the Singapore headquarter office and the manufacturing premises in Batam, Indonesia together with the provision of relevant reinstatement cost of the premises.

Equity

As at 31 December 2024, total equity amounted to HK$2,862.0 million. This comprised issued capital of HK$38.8 million, non-controlling interests of HK$0.1 million and reserves of HK$2,823.3 million comprising share premium, translation reserve, merger reserve, other reserve, legal reserve, financial asset reserve and retained earnings.

Liquidity and Capital Resources

The Group's operations, capital expenditures and other capital requirements have been funded through internal and external sources of funds during the year. Internal sources of funds comprise cash generated from the Group's operating activities and shareholders' equity. External sources of funds comprise mainly bank borrowings.

As at 31 December 2024, we have cash and cash equivalents of HK$2,177.4 million and net current assets of HK$2,165.0 million, and the Group had credit facilities of HK$1,874.2 million which have not been utilised.

Working Capital

Inventories of the Group as at 31 December 2024 were HK$842.3 million which decreased by HK$293.2 million, or 25.8%, as compared with HK$1,135.5 million as at 31 December 2023. Inventory turnover days decreased from 64 days as at 31 December 2023 to 40 days as at 31 December 2024. It was mainly due to a shortage of GPU supply in the last quarter of the year together with a low level of next generation RTX 50 series GPUs being received by end of the year.

Trade receivables as at 31 December 2024 were HK$804.3 million, which decreased by HK$10.3 million, or 1.3%, as compared with HK$814.6 million as at 31 December 2023, so that trade receivable turnover days has decreased from 40 days as at 31 December 2023 to 29 days as at 31 December 2024. The change was mainly associated with a higher sales revenue reflecting a strong demand of product sales which resulted in a faster collection from customers.

Trade payables as at 31 December 2024 were HK$816.2 million, which decreased by HK$230.7 million, or 22.0%, as compared with HK$1,046.9 million as at 31 December 2023. It was mainly due to a shortage of GPU supply in the last quarter of the year together with a low level of next generation RTX 50 series GPUs being received by end of the year so that trade payable turnover days decreased from 43 days as at 31 December 2023 to 37 days as at 31 December 2024.

Cash Flow Analysis

Net Cash generated from Operating Activities

Net cash from operating activities was HK$1,954.8 million in FY2024 which was significantly lower than HK$3,575.1 million in FY2023. The change was mainly due to a decline of working capital consisting of inventories and trade and other payables by end of the year as compared to prior year.

Net Cash generated from Investing Activities

Net cash from investing activities was HK$150.1 million in FY2024 as compared to the net cash used in the investing activities of HK$382.3 million in FY2023. The change was mainly due to more withdrawal of time deposits with initial maturity of over three months as compared to the placements of time deposits with initial maturity of over three months in FY2024 which offset the payment to acquire property, plant and equipment.

Net Cash used in Financing Activities

Net cash used in financing activities of HK$2,009.0 million in FY2024 which was lower than the net cash used in financing activities of HK$3,293.8 million in FY2023. The net cash used in financing activities mainly comprised of repayment of import loans of HK$1,812.9 million that has been reduced from HK$3,119.2 million in FY2023 since the Group utilised surplus cash to finance procurement and operations instead of bank borrowings which resulted in a lower utilisation of import loans for FY2024.

Foreign Exchange Management

The Group's reporting currency is in HKD. As at 31 December 2024, the Group was exposed to currency risk primarily through sales and purchases denominated in currencies other than the functional currency of the operations to which they relate. The currencies giving rise to the risk are primarily USD, RMB, EUR, KRW, JPY, SGD and IDR. The appreciation or depreciation in the value of other currency other than the functional currencies of the Company's subsidiaries will have either a positive or negative effect on the financial results of the Group. The Group entered into three structured investment contract in FY2023 and one structured investment contract in FY2024.

Charges on Assets

As at 31 December 2024, bank deposits of HK$0.3 million were pledged to a bank to secure the corporate credit card granted to the Group and the Group had pledged certain office premises with an aggregate carrying value of approximately HK$353.1 million to a bank.

Capital Management, Capital Expenditures, Divestments and Commitments

Capital Management

The capital structure of the Group consists of debts, which includes borrowings and lease liabilities, and equity of the Group, comprising share capital, reserves and retained earnings disclosed in the consolidated statement of changes in equity. Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group has a target gearing ratio of below 100% determined as the proportion of net debt to equity.

The Group's net cash to equity ratio (being cash and bank balances minus debts divided by total equity) decreased from 50.8% as at 31 December 2023 to 49.0% as at 31 December 2024. The change was mainly due to a decrease of cash and bank balances and borrowings and an increase in total equity as at 31 December 2024. Gearing ratio was not presented as the Group was at a net cash position as at 31 December 2023 and 31 December 2024.

Capital Expenditures

The capital expenditure during the year was HK$149.5 million mainly for the purchase of leasehold improvement, plant and machinery, office and testing equipment, furniture and fixtures and motor vehicles. Funding for capital expenditures was from internally generated funds.

As the Group relocated its global headquarters to Singapore and set up a new manufacturing facility in Batam, Indonesia which has operated before end of the year, such relevant capital expenditure was approximately HK$16.2 million and HK$107.1 million, for renovation of the office premises of the new headquarters in Singapore and the installation of three production lines and renovation at the factory premises of the new production facility in Batam, Indonesia respectively.

Divestments

Divestments during the year consisted mainly of assets written off after the useful life for leasehold improvement, plant and machinery, office and testing equipment, furniture and fixtures and motor vehicles for a total of HK$16.9 million, mainly on retirement of plant and machinery items.

Capital Commitments

The Group had entered into capital commitment contracts for the acquisition of property, plant and equipment amounting to HK$7.0 million as at 31 December 2024, which will be financed by internally generated funds.

Lease Commitments

The Group had the following lease commitments for future minimum lease payments under non-cancellable operating leases in respect of the rental of its manufacturing plant, office, warehouse and office equipment in the PRC, Hong Kong, Taiwan, Indonesia, Singapore, Germany, Japan and South Korea and certain of its motor vehicles for business use. The Group finances the above lease commitments from internally generated funds.

Contingent Liability

The Group exports its VGA Cards to the USA, where it has a large customer base. In this connection, the Group had made a prior disclosure to the CBP in respect of its import entries ("Selected Entries") for the period between 30 July 2020 to 2 January 2023 made under the tariff code for video game consoles and machines (which falls under List 4B of the China Section 301 Tariff and would therefore attract neither normal trade relations ("NTR") duties nor additional duty under the China Section 301 Tariff). Subsequently, the CBP determined that the Group's VGA Cards should have been classified under another HTSUS Code which does not attract NTR duties but falls under List 3 of the China Section 301 Tariff instead, and requested that the Group submit a post summary correction for the Selected Entries. As a result of the foregoing, the Group was subject to a 25% China Section 301 Tariff being imposed on its VGA Cards imported to the U.S. between 1 January 2021 and 11 October 2021 ("Gap Period"), where List 3 products were not excluded from the China Section 301 Tariff.

While the Group maintains that the VGA Cards are specifically designed and produced for gaming purposes and thus should be classified as "gaming components", the Group voluntarily sought to rectify its declaration as to the classification of its VGA Cards with the CBP to avoid additional penalties on unreported tariffs, and has since 1 March 2023 imported the relevant VGA Cards under such "corrected" HTSUS Code. List 3 Products are excluded from the 25% China Section 301 Tariff until 31 May 2025.

The Group has assessed that the estimated potential amount of the potential tariff arising from the HTSUS reclassification of the Group's import of VGA Cards during the Gap Period is estimated to be approximately US$25 million (approximately HK$196 million), for which the Company is requesting a refund.

The Group has also engaged a professional firm to conduct a tariff classification analysis and file an appeal with the CBP, so that it may seek clarity on the issue. The Group has filed a litigation protest ("Protest") with the CBP on 2 July 2024, which, among others, puts forth that no tariffs should be payable during the Gap Period (notwithstanding that the product exclusion scheme was not available), on the same basis as that invoked in another similar case pending a decision before the U.S. Court of Appeals for the Federal Circuit.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2024, there was no material acquisitions and disposals of subsidiaries, associates and joint ventures by the Group.

Future Plans for Material Investments or Capital Assets

The Company has been listed on the SGX-ST since 15 November 2024, and plans to delist from the SEHK in FY2025.

Events after the Reporting Period

Save as disclosed herein, there are no important events that have occurred after the year ended 31 December 2024 and up to the date of this announcement.

Employee and Remuneration Policy

As at 31 December 2024, the Group had 2,536 employees (2023: 2,490 employees). Employees are remunerated on the basis of their individual performance and prevailing industry practice. Compensation policies and remuneration packages of the employees are reviewed at least once a year. In addition to basic salary, medical benefits, provident fund, performance related bonuses may also be awarded to employees.

The Company adopted a pre-IPO share option scheme to recognise the contributions of and as retention incentive to the executive directors, certain management staff and selected long service employees of the Group. On 17 June 2016, the Company adopted another share option scheme ("2016 Share Option Scheme") as incentives or rewards to its directors, employees, consultants and other participants of the 2016 Share Option Scheme for their retention and contribution or potential contribution to the Group.

The Company terminated the 2016 share option scheme on 18 July 2024. Immediately before the termination, the maximum number of shares in respect of which options might be granted under the scheme mandate limit of the 2016 Share Option Scheme was only 7,961,866, representing approximately 2.05% of the total number of shares in issue, which might not be sufficient for making further grants without refreshing the scheme mandate limit. Additionally, the term of the 2016 Share Option Scheme was going to expire on 16 June 2026 which was less than 2 years. Based on the above, the Board is of the view that the termination is justified and any future share options or share awards that may be granted by the Company shall be granted pursuant to a scheme that complies with the requirements of the existing Chapter 17 of the Listing Rules.

Significant Acquisition and Disposal of Property, Plant and Equipment

The Group has acquired property, plant or equipment for a total of HK$123.3 million for the setting up in Southeast Asia of both the Singapore headquarter office and the new manufacturing facilities in Batam, Indonesia in FY2024.

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 year.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "Code") as contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation as explained below.

According to code provision C.2.1 of the Code, the roles of Chairman and Chief Executive Officer should be performed by separate individuals. However, for the year ended 31 December 2024, Mr. Wong Shik Ho Tony ("Mr. Wong") served as both the Chairman and the Chief Executive Officer of the Company. As one of the Group's founders, Mr. Wong has been actively involved in its daily operation since its inception. He oversees strategic planning and corporate development, supported by the other Executive Directors.

The Board comprises 13 Directors, with Non-executive Directors (including 7 Independent Non-executive Directors) forming the majority. This composition ensures a strong capacity for independent decision-making. Collectively, these 13 Directors bring a diverse mix of skills, knowledge, experience, and management expertise. Given that all major decisions are made after thorough discussions, and the Independent Non-executive Directors consistently played an active role in discussion, the Board believes that the current structure fosters strong and balanced corporate management, which is in the best interests of the shareholders of the Company.

Pursuant to code provision D.2.5 of the Code, the Company should have an internal audit function. However, during the year, the Company did not have an internal audit function but engaged an audit firm to conduct a regular review on its risk management and internal control systems. The audit firm reported directly to and held regular meetings with the Audit Committee, all members of which were accountants with relevant financial management expertise and experience. It submitted an assessment report with recommendations to the Audit Committee to enable the Audit Committee to evaluate the effectiveness of the Group's risk management and internal control systems. This arrangement can offer an independent unbiased opinion and improve the risk management and internal control of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the required standards for securities transactions by the Directors (collectively, the "Model Code").

Under Rule A.1 of the Model Code, no Director shall deal in any securities of the Company ("Shares") when in possession of inside information concerning the Shares, or without clearance under Rule B.8 of the Model Code.

Mr. Lai Kin Jerome ("Mr. Lai"), a former Independent Non-executive Director, sold 6,000 Shares on 26 August 2024 and 14,000 Shares and 28 August 2024 in the open market while possessing inside information without prior acknowledgment from the Chairman, thereby violating Rules A.1 and B.8 of the Model Code. Due to health reasons, Mr. Lai resigned from his position as an Independent Non-executive Director, chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committees of the Board effective on 10 October 2024.

Following specific inquiries by the Company, all current Directors confirmed their compliance with the required standards as set out in the Model Code for the year ended 31 December 2024 save as disclosed above.

AUDIT COMMITTEE

The Company established its Audit Committee on 21 December 2011 with written terms of reference. The Audit Committee acts as a liaison between the Board, its external and internal auditors (or professional firm which performs internal audit function for the Company) regarding the Company's financial reporting, internal controls, external and internal audits.

Mr. Lai, who was the chairman of the Audit Committee, resigned from his position on the Board and committees of the Board on 10 October 2024 due to health reasons. Mr. Ip Shing Hing ("Mr. Ip"), Mr. Cheung Ying Sheung ("Mr. Cheung"), and Ms. Chan Yim ("Ms. Chan"), were members of the Audit Committee. On 5 November 2024, for compliance with the listing requirements of the SGX-ST, Mr. Ip and Mr. Cheung resigned from their positions on the Board and committees of the Board, and Ms. Chan resigned from her position as a member of the Audit Committee.

The Audit Committee currently consists of three Independent Non-executive Directors, namely, Mr. Chua Ser Miang (chairman), Mr. Kong Chee Keong and Ms. Alicia Kwan Xiuying.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024.

SCOPE OF WORK OF BDO LIMITED

The Group's auditor, BDO Limited, has confirmed the figures in the preliminary announcement of the Group's results for the year ended 31 December 2024 to be consistent with the amounts in the Group's audited consolidated financial statements for the year. However, the work performed by BDO Limited in this regard did not amount to an assurance engagement as per Hong Kong Standards on Auditing, Hong Kong standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and therefore BDO Limited has not expressed any assurance on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk, the SGX-ST at www.sgx.com, and on the Company's website at www.pcpartner.com. The 2024 Annual Report of the Company will be published on the websites of the HKEX, the SGX-ST and the Company in due course.

By order of the Board
PC Partner Group Limited
WONG Shik Ho Tony
Chairman

Hong Kong, 28 February 2025

As at the date of this announcement, the Executive Directors of the Company are Mr. WONG Shik Ho Tony, Mr. WONG Fong Pak, Mr. LEUNG Wah Kan, Mr. HO Nai Nap and Mr. MAN Wai Hung, the Non-Executive Director is Mrs. HO WONG Mary Mee-Tak; and the Independent Non-Executive Directors are Ms. CHAN Yim, Mr. CHUA Ser Miang, Mr. Jason GOH Hseng Wei, Mr. KONG Chee Keong, Ms. Alicia KWAN Xiuying, Prof. LOW Teck Seng and Mr. TEO Chun-Wei, Benedict.

* *For identification purposes only*