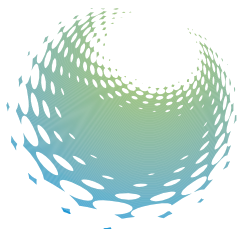


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Sun.King Technology Group Limited
賽晶科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 580)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024,
DECLARATION OF FINAL DIVIDEND
AND CLOSURE OF REGISTER OF MEMBERS

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 52.7% to approximately RMB1,610.2 million.
- Gross profit increased by approximately 55.2% to approximately RMB520.7 million.
- Gross profit margin increased from approximately 31.8% to approximately 32.3%.
- Profit attributable to owners of the parent amounted to approximately RMB102.5 million.
- Earnings per share amounted to approximately RMB6.39 cents (basic) and approximately RMB6.39 cents (diluted).

ANNUAL RESULTS

The board (the “**Board**”) of Directors (the “**Director(s)**”) of Sun.King Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited annual results of the Group for the year ended 31 December 2024, with the comparative figures for the corresponding year in 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*Year ended 31 December 2024*

		2024	2023
	<i>Notes</i>	<i>RMB'000</i>	RMB'000
REVENUE	<i>4</i>	1,610,209	1,054,702
Cost of sales		<u>(1,089,538)</u>	<u>(719,174)</u>
Gross profit		520,671	335,528
Other income and gains, net	<i>4</i>	59,218	67,288
Selling and distribution expenses		(106,003)	(84,561)
Administrative expenses		(160,012)	(138,415)
Research and development costs		(137,528)	(113,588)
Other expenses and losses, net		(36,002)	(4,605)
Finance costs	<i>6</i>	(17,973)	(11,044)
Share of profits and losses of:			
A joint venture		–	(3,593)
Associates		<u>(186)</u>	<u>(40)</u>
PROFIT BEFORE TAX	<i>5</i>	122,185	46,970
Income tax expense	<i>7</i>	<u>(36,741)</u>	<u>(22,008)</u>
PROFIT FOR THE YEAR		<u>85,444</u>	<u>24,962</u>
Profit/(loss) attributable to:			
Owners of the parent		102,522	31,547
Non-controlling interests		<u>(17,078)</u>	<u>(6,585)</u>
		<u>85,444</u>	<u>24,962</u>

	<i>Note</i>	2024 <i>RMB'000</i>	2023 RMB'000
OTHER COMPREHENSIVE LOSS			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Fair value losses on financial investments at fair value through other comprehensive income		(4,667)	(1,564)
Exchange differences on translation of foreign operations		3,424	(4,580)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		(1,243)	(6,144)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		84,201	18,818
Total comprehensive income/(loss) attributable to:			
Owners of the parent		100,556	26,342
Non-controlling interests		(16,355)	(7,524)
		84,201	18,818
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	<i>9</i>		
Basic		RMB6.39 cents	RMB1.94 cents
Diluted		RMB6.39 cents	RMB1.93 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		734,941	635,866
Investments properties		15,720	16,956
Right-of-use assets		52,761	56,468
Deposits for purchase of property, plant and equipment		5,988	13,424
Goodwill		5,689	5,689
Other intangible assets		69,776	73,746
Investments in associates		2,413	1,599
Equity investment designated at fair value through other comprehensive income		10,000	—
Contract assets	10	26,938	35,459
Time deposits		80,000	—
Deferred tax assets		8,434	4,816
Total non-current assets		<u>1,012,660</u>	<u>844,023</u>
CURRENT ASSETS			
Inventories		289,941	229,919
Trade and bills receivables	10	1,161,169	814,606
Contract assets	10	11,752	9,669
Prepayments, other receivables and other assets		116,680	39,486
Derivative financial instrument		—	5,993
Financial investments at fair value through other comprehensive income		—	55,192
Pledged deposits		27,158	39,265
Cash and cash equivalents		415,487	799,300
Total current assets		<u>2,022,187</u>	<u>1,993,430</u>
CURRENT LIABILITIES			
Trade and bills payables	11	416,724	301,529
Other payables and accruals		140,190	114,347
Contract liabilities		77,400	26,950
Lease liabilities		2,521	3,400
Derivative financial instrument		6,415	—
Interest-bearing bank and other borrowings		254,850	226,100
Tax payable		36,950	19,329
Total current liabilities		<u>935,050</u>	<u>691,655</u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
NET CURRENT ASSETS	1,087,137	1,301,775
TOTAL ASSETS LESS CURRENT LIABILITIES	2,099,797	2,145,798
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	44,440	156,600
Lease liabilities	4,282	5,958
Deferred income	53,649	59,541
Deferred tax liabilities	1,470	2,038
Total non-current liabilities	103,841	224,137
Net assets	1,995,956	1,921,661
EQUITY		
Equity attributable to owners of the parent		
Issued capital	137,351	139,081
Treasury shares	(8,641)	(378)
Reserves	1,795,666	1,708,946
	1,924,376	1,847,649
Non-controlling interests	71,580	74,012
Total equity	1,995,956	1,921,661

NOTES TO FINANCIAL STATEMENTS

31 December 2024

1. CORPORATE AND GROUP INFORMATION

Sun.King Technology Group Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 19 March 2010. The ordinary shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 13 October 2010. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the trading and manufacture of power electronic components.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised International Financial Reporting Standards (“**IFRSs**”) for the first time for the current year’s financial statements.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to International Accounting Standard (“ IAS ”) 1	<i>Classification of Liabilities as Current or Non-current</i> (the “ 2020 Amendments ”)
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i> (the “ 2022 Amendments ”)
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRSs are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment which is principally engaged in the manufacturing and trading of power transmission and distribution sector, electrified transportation sector and industrial and others sector. All of Group's operating results from the operations are generated from this single segment. Management monitors the results of Group's operation as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

As the Group's major operations are in Mainland China, and over 94% (2023: over 94%) of the Group's revenue are attributable to customers located in Mainland China and non-current assets are located in Mainland China, no further geographical segment information is provided.

Information about major customers

Revenue from single customers that individually accounted for 10% or more of the Group's revenue is as follows:

In 2024, revenue of approximately RMB201,215,000 (more than 10% of the Group's revenue) was derived from sales to a single external customer.

In 2023, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue from contracts with customers is as follows:

	2024 RMB'000	2023 RMB'000
Sale of power electronic components	<u>1,610,209</u>	<u>1,054,702</u>

The performance obligation of the sale of power electronic component is satisfied upon delivery of the products.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024 RMB'000	2023 <i>RMB'000</i>
Sale of power electronic components	26,950	13,769

The Group has selected to choose a practical expedient and does not disclose the remaining performance obligations as almost all related contracts have a duration of one year or less.

An analysis of other income and gains is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Government grants*	37,567	24,886
Bank interest income	8,763	8,346
Other interest income	–	786
Interest income arising from revenue contracts	1,572	1,928
Foreign exchange differences, net	–	15,878
Fair value gains on foreign currency forward contracts, net	–	4,811
Fair value gains on financial investments at fair value through profit or loss	2,350	1,657
Fair value gains on financial investments at fair value through other comprehensive income upon derecognition	5,250	4,695
Gain on disposal of property, plant and equipment, net	–	13
Gain on disposal of idle/scrap materials	1,430	516
Gain on bargain purchase	1,459	3,470
Gain on commodity futures contracts	124	–
Others	703	302
Total other income and gains	59,218	67,288

- * Various government grants have been received for investments in certain regions in Mainland China in which the Company's subsidiaries operate as well as for the Group's technology advancements. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these government grants.

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Cost of inventories sold		1,077,788	719,353
Write-down/(reversal of write-down) of inventories to net realisable value, net		11,750	(179)
Cost of sales		1,089,538	719,174
Auditor's remuneration		1,700	1,700
Depreciation of property, plant and equipment		45,342	42,907
Depreciation of right-of-use assets		5,177	4,593
Amortisation of deferred development costs**		8,381	7,739
Amortisation of other intangible assets** (excluding deferred development costs)		4,421	4,299
Lease payments not included in the measurement of lease liabilities		687	327
Impairment of goodwill*		–	1,189
Impairment of trade receivables and contract assets, net*	10	1,052	2,895
Reversal of impairment of financial assets included in prepayments, other receivables and other assets, net*		(10)	(75)
Foreign exchange differences, net*		14,137	(15,878)
Fair value losses/(gains) on foreign currency forward contracts, net*		18,155	(4,811)
Loss/(gain) on disposal of property, plant and equipment *		2,411	(13)
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		129,269	106,379
Share-based payment expense		76	764
Pension scheme contributions***		20,154	16,972
Total		149,499	124,115

* These impairment and loss items are included in "Other expenses and losses, net" in profit or loss.

** These amortisation items are included in "administrative expenses" in profit or loss.

*** At 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil).

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest on bank loans	9,146	7,745
Interest on other loans	8,576	2,966
Interest on lease liabilities	251	333
	<hr/>	<hr/>
Total	17,973	11,044
	<hr/>	<hr/>

7. INCOME TAX

Under the People's Republic of China ("PRC") income tax laws, enterprises are subject to corporate income tax ("CIT") at a rate of 25% (2023: 25%). Certain subsidiaries of the Group are qualified as high technology enterprises and hence are granted a preferential CIT rate of 15% (2023: 15%).

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2024 and 2023.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The Group's subsidiaries established in Switzerland, Germany and Netherlands are subject to local corporate taxes of approximately 18% (2023: approximately 18%), 32% (2023: approximately 32%) and 25.8% (2023: 25.8%), respectively.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current:		
Mainland China – charge for the year	40,045	24,080
overprovision in prior years	(383)	(12)
Hong Kong – charge for the year	–	–
Europe – charge for the year	659	323
	<hr/>	<hr/>
Subtotal	40,321	24,391
Deferred	(3,580)	(2,383)
	<hr/>	<hr/>
Total tax charge for the year	36,741	22,008
	<hr/>	<hr/>

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2024

	Chinese Mainland RMB'000	Hong Kong RMB'000	Europe RMB'000	Total RMB'000
Profit/(loss) before tax	170,564	(15,101)	(33,278)	122,185
Tax at the statutory tax rate	42,641	(2,492)	(6,114)	34,035
Lower tax rates for specific provinces or enacted by local authority	(27,945)	–	–	27,945
Loss attributable to associates	28	–	–	28
Income not subject to tax	–	(1,939)	–	(1,939)
Expenses not deductible for tax	11,712	1,210	902	13,824
Additional deductible allowance for research and development expenses	(15,288)	–	–	(15,288)
Tax losses utilised from previous periods	(4,171)	–	(1,246)	5,417
Tax losses not recognised	27,452	3,221	6,653	37,326
Adjustments in respect of current tax of previous periods	(383)	–	–	(383)
Withholding tax on intra-group dividend	2,500	–	–	2,500
Tax charge at the Group's effective rate	<u>36,546</u>	<u>–</u>	<u>195</u>	<u>36,741</u>

2023

	Chinese Mainland RMB'000	Hong Kong RMB'000	Europe RMB'000	Total RMB'000
Profit/(loss) before tax	101,477	(18,083)	(36,424)	46,970
Tax at the statutory tax rate	25,369	(2,984)	(7,507)	14,878
Lower tax rates for specific provinces or enacted by local authority	(12,593)	–	–	(12,593)
Loss attributable to a joint venture	539	–	–	539
Loss attributable to associates	6	–	–	6
Income not subject to tax	–	(584)	–	(584)
Expenses not deductible for tax	4,639	2,608	51	7,298
Additional deductible allowance for research and development expenses	(14,621)	–	–	(14,621)
Tax losses utilised from previous periods	(881)	–	(1,246)	(2,127)
Tax losses not recognised	20,938	960	7,326	29,224
Adjustments in respect of current tax of previous periods	(12)	–	–	(12)
Tax charge/(credit) at the Group's effective rate	<u>23,384</u>	<u>–</u>	<u>(1,376)</u>	<u>22,008</u>

There was no share of tax attributable to a joint venture and associates for the year ended 31 December 2024 (2023: Nil).

8. DIVIDENDS

The proposed final dividend for the year is HK\$0.01 (2023: Nil) per ordinary share totalling RMB14,766,000 (2023: Nil) and it is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB102,522,000 (2023: RMB31,547,000), and the weighted average number of ordinary shares of 1,603,771,021 (2023: 1,629,108,942) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u><u>102,522</u></u>	<u><u>31,547</u></u>
	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	1,603,771,021*	1,629,108,942
Effect of dilution – weighted average number of ordinary shares: Share options	<u>278,060</u>	<u>2,451,974</u>
Total	<u><u>1,604,049,081</u></u>	<u><u>1,631,560,916</u></u>

* The weighted average number of shares was after taking into account the effect of treasury shares held.

10. TRADE AND BILLS RECEIVABLES/CONTRACT ASSETS

	2024 RMB'000	2023 RMB'000
Trade receivables	922,229	741,768
Impairment	(15,585)	(14,508)
Net carrying amount	906,644	727,260
Bills receivable	254,525	87,346
Total	1,161,169	814,606

	31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Contract assets	38,840	45,303	52,859
Impairment	(150)	(175)	(192)
Net carrying amount	38,690	45,128	52,667
Analysed into:			
Current portion	11,752	9,669	6,938
Non-current portion	26,938	35,459	45,729
Total	38,690	45,128	52,667

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and contract assets and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Concentration of credit risk is managed by customer/counterparty. The Group does not hold any collateral or other credit enhancements over its trade receivable and contract assets balances. Trade receivables and contract assets are non-interest-bearing.

For certain customers, the Group allows a percentage, ranging from 5% to 10%, of the contracted amount (the retention money) to be settled within six months to sixty months, as agreed between the Group and the respective customers on a case by case basis, subsequent to the fulfilment of certain conditions including normal operation of the product within warranty period as stipulated in the respective sales contracts. Contract assets are recognised for revenue earned from the sale of products as the receipt of consideration is conditional on the successful expiry of warranty period. Upon the expiry of the warranty period, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2024 and 2023 are the result of the receipt of sales contract amounts and expiration of quality guarantee deposits.

The expected timing of recovery or settlement for contract assets as at the end of the reporting period is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Within one year	11,752	9,669
More than one year	26,938	35,459
	<hr/>	<hr/>
Total contract assets	38,690	45,128
	<hr/> <hr/>	<hr/> <hr/>

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the customers' acknowledge of receipt or invoice date, where applicable, and net of loss allowance, is as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
Within 3 months	518,522	513,670
4th to 6th months	188,948	76,889
7th to 12th months	117,107	84,422
Over 1 year	82,067	52,279
	<hr/>	<hr/>
Total	906,644	727,260
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2024, the Group's bills receivable would mature within six (2023: six) months.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
At beginning of year	14,508	11,822
Impairment losses, net (<i>note 5</i>)	1,077	2,912
Amount written off as uncollectible	—	(226)
	<hr/>	<hr/>
At end of year	15,585	14,508
	<hr/> <hr/>	<hr/> <hr/>

The increase in the loss allowance in 2024 and 2023 was mainly due to the increase in sales contract amounts.

The movements in the loss allowance for impairment of contract assets are as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
At beginning of year	175	192
Reversal of impairment losses, net (<i>note 5</i>)	(25)	(17)
	<hr/>	<hr/>
At end of year	150	175
	<hr/> <hr/>	<hr/> <hr/>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome and the reasonable and supportable information that is available at the reporting date about past events after taking into consideration of forward-looking information. For trade receivables and contract assets due from some major customers (Tier 1 customers), the Group is of opinion that there will be no expected credit loss on these accounts even though these trade receivables and contract assets are overdue, based on their credit rating and no history of default on these accounts.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2024

	Within credit period <i>RMB'000</i>	Past due				Total <i>RMB'000</i>
		Less than 1 year <i>RMB'000</i>	1 to 2 years <i>RMB'000</i>	2 to 3 years <i>RMB'000</i>	Over 3 years <i>RMB'000</i>	
Gross carrying amount	587,452	324,560	37,988	3,762	7,307	961,069
Amount from Tier 1 customers	22,918	–	–	–	–	22,918
Carrying amount without Tier 1 customers	564,534	324,560	37,988	3,762	7,307	938,151
Expected credit loss rate (%)	0.36	0.36	10.09	36.95	100.00	1.68
Expected credit losses	2,033	1,172	3,833	1,390	7,307	15,735

31 December 2023

	Within credit period <i>RMB'000</i>	Past due				Total <i>RMB'000</i>
		Less than 1 year <i>RMB'000</i>	1 to 2 years <i>RMB'000</i>	2 to 3 years <i>RMB'000</i>	Over 3 years <i>RMB'000</i>	
Gross carrying amount	470,666	277,874	29,076	1,166	8,289	787,071
Amount from Tier 1 customers	–	17,754	–	–	–	17,754
Carrying amount without Tier 1 customers	470,666	260,120	29,076	1,166	8,289	769,317
Expected credit loss rate (%)	0.35	0.35	11.64	36.19	100.00	1.91
Expected credit losses	1,664	923	3,385	422	8,289	14,683

At 31 December 2024, certain bills receivable of the Group with an aggregate carrying amount of RMB74,084,000 (2023: RMB21,028,000) were pledged to secure certain of the Group's bills payable.

At 31 December 2024, the Group endorsed certain bills receivable accepted by banks in Mainland China (the “**Endorsed Bills**”) with a carrying amount of RMB12,835,000 (2023: RMB7,043,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). In the opinion of the directors of the Company, the Group has retained the substantial risks and rewards, which include default risks relating to the Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

At 31 December 2024, the Group endorsed certain bills receivable accepted by banks in Mainland China (the “**Derecognised Bills**”) to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB142,548,000 (2023: RMB39,187,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”). In opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the good receipt or invoice date, where applicable, is as follows:

	2024 <i>RMB’000</i>	2023 <i>RMB’000</i>
Within six months	366,017	255,234
Over six months	<u>50,707</u>	<u>46,295</u>
Total	<u><u>416,724</u></u>	<u><u>301,529</u></u>

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 days to 180 days.

At 31 December 2024, Group’s bills payable are secured by the pledge of the Group’s bills receivable amounting to RMB74,084,000 (2023: RMB21,028,000).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

1. Domestic and overseas market performance

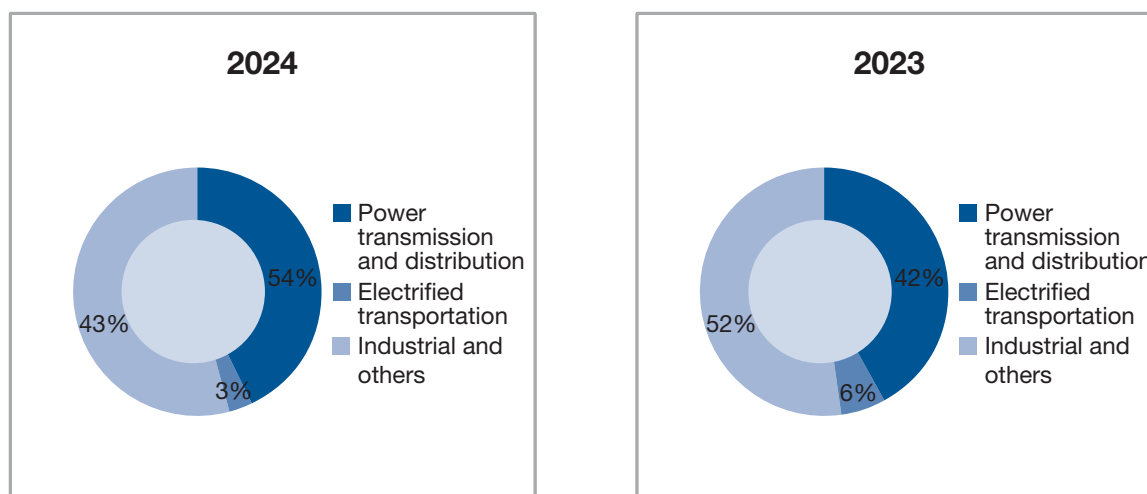
	For the year ended 31 December			
	2024		2023	
	Revenue	Gross profit	Revenue	Gross profit
	(RMB'000)	margin	(RMB'000)	margin
Domestic market	1,520,030	31.5%	987,067	31.4%
Overseas market	90,179	46.9%	67,635	38.0%
Total	1,610,209	Average 32.3%	1,054,702	Average 31.8%

2. Domestic market performance

The products supplied by the Group are categorised into applied sectors, namely, power transmission and distribution, electrified transportation and industrial and others. The Group's performance in the domestic market is as follows:

	For the year ended 31 December			
	2024		2023	
Applied sectors	Revenue	Gross profit	Revenue	Gross profit
	(RMB'000)	margin	(RMB'000)	margin
Power transmission and distribution	812,017	44.3%	416,381	48.0%
Electrified transportation	49,446	20.8%	57,392	25.4%
Industrial and others	658,567	16.5%	513,294	18.5%
Total	1,520,030	Average 31.5%	987,067	Average 31.4%

The proportion of revenue from each of the Group's business sectors in the domestic market is as follows:



(a) Power transmission and distribution sector

The Group's performance in the power transmission and distribution sector is as follows:

	For the year ended 31 December		Change
	2024	2023	
	Revenue	Revenue	
	(RMB'000)	(RMB'000)	
Power transmission and distribution sector	812,017	416,381	95%
Regular direct current ("DC") transmission ^(Note 1)	366,981	192,721	90%
Flexible transmission ^(Note 2)	280,886	59,663	371%
Other power transmission and distribution	164,150	163,997	0%

Notes:

1. Regular DC transmission refers to DC transmission technology with semi-controlled power electronic components such as thyristors as core devices of current-switching valves.
2. Flexible transmission includes flexible DC transmission, flexible low-frequency alternating current ("AC") transmission, grid-based static var generator ("SVG") and energy storage, etc.

The Group provides products such as anode saturation reactors, power capacitors, DC support capacitors for flexible DC transmission, intelligent power grid online monitoring systems and power semiconductor devices distributed by the Group to the sub-sectors of regular DC transmission and the flexible transmission. The Group provides products such as intelligent power grid online monitoring systems and power capacitors to other power transmission and distribution sub-sector.

Due to the growing demand for new energy power transmission, a new round of large-scale construction of ultra-high voltage (“UHV”) DC (“UHVDC”) transmission projects has commenced since 2023, including a number of UHV regular DC transmission projects such as Jinshang-Hubei.

In 2024, the Group successively delivered products ordered for a number of regular high-voltage DC transmission projects, including a total of three $\pm 800\text{kV}$ UHV regular DC transmission projects of Jinshang–Hubei, Hami–Chongqing and Ningxia–Hunan, the second phase of the Qinghai–Tibet DC project (the “**Second Phase of the Qinghai–Tibet Project**”) and the $\pm 600\text{kV}$ DC transmission and transformation project of Itaipu Binacional of Brazil (the “**Itaipu of Brazil Transmission and Transformation Project**”). The Group’s revenue in the sub-sector of regular DC transmission increased by approximately 90% as compared to 2023.

On the other hand, in order to cope with the new challenges to the flexibility and stability of grid posed by the increasing share of new energy power, flexible DC transmission and grid-based SVG and other flexible transmission technologies become flourishing for grid construction. Among these projects, the middle–southern Saudi Arabia $\pm 500\text{kV}$ flexible DC transmission project, the Gansu–Zhejiang $\pm 800\text{kV}$ UHV flexible DC transmission project as well as the 66KV grid-based direct-mounted SVG project of State Grid Sichuan Chengdu Power Supply Company (the “**Sichuan Grid Energy Storage Project**”) and Tibet grid-based SVG projects, etc., have commenced in 2024. The Group has entered into contracts and delivered some of the ordered products in the above projects.

In 2024, the Group successively delivered a number of ordered products for flexible transmission projects, including the offshore wind power and flexible DC transmission project of BorWin6 of Germany (the “**Germany BorWin6 Offshore Wind Power Project**”), the Yangjiang-Qingzhou offshore wind farms with centralised transmission of sea cables (the “**Yangjiang-Qingzhou Transmission Project**”), the 220KV transmission project of Huaneng Yuhuan No. 2 offshore wind power project (the “**Huaneng Yuhuan Transmission Project**”) and the Sichuan Grid Energy Storage Project. The Group’s revenue from the sub-sector of flexible transmission increased by approximately 371% as compared to 2023.

(b) Electrified transportation sector

The Group's performance in the electrified transportation sector is as follows:

	For the year ended 31 December		
	2024	2023	Change
	Revenue (RMB'000)	Revenue (RMB'000)	
Electrified transportation sector	49,446	57,392	-14%
Rail transportation	44,661	48,212	-7%
Electric vehicles	1,626	7,356	-78%
Other transportation	3,159	1,824	73%

The Group provides a wide range of power electronic components for traction converter systems to the manufacturers of rail transit vehicle equipment; and products such as power quality control devices and automatic cross-phase intelligent switches for electrified railways to the manufacturers of rail transportation power supply system. The Group also provides products such as laminated busbars, cell contacting systems and self-developed power semiconductor (including insulated gate bipolar transistors (“**IGBT(s)**”) and silicon carbide (“**SiC**”)), etc., to the sub-sector of electric vehicles. The Group also provides power electronic components and devices to other transportation sub-sectors such as marine and aerospace in the People's Republic of China (“**PRC**”).

In 2024, the Group's revenue in this sector decreased by approximately 14% as compared to 2023, of which, the Group's revenue in the sub-sector of electric vehicles decreased by approximately 78% as compared to 2023.

(c) Industrial and others sector

The performance of the Group in the industrial and others sector is as follows:

	For the year ended 31 December		
	2024	2023	Change
	Revenue (RMB'000)	Revenue (RMB'000)	
Industrial and others sector	658,567	513,294	22%
Industrial control	379,818	332,417	14%
New energy power generation and energy storage	273,558	180,201	52%
Scientific research institutes and others	5,191	676	668%

The Group provides products including self-developed power semiconductors, laminated busbars, cell contacting systems, power quality control devices, power capacitors and power semiconductor devices distributed by the Group to the manufacturers of industrial control equipment, energy storage equipment and new energy power generation equipment, as well as to scientific research institutes and to customers in other sub-sectors. In addition, in 2023, the Group formally launched its services business of general contracting and system solutions and achieved scale-up in 2024.

In 2024, the Group's revenue from the sub-sector of industrial control increased by approximately 14% as compared to 2023 as the business in this sub-sector continued to maintain its growth.

In 2024, the Group's revenue from the sub-sectors of new energy power generation and energy storage increased by approximately 52% as compared to 2023. Among them, the revenue from products related to that sub-sector amounted to approximately RMB184,776,000, representing an increase of approximately 14% as compared to 2023, while revenue from service businesses such as general contracting and system solutions amounted to approximately RMB88,782,000, representing an increase of approximately 390% as compared to 2023.

3. Overseas market performance

The performance of the Group's domestic and overseas subsidiaries in overseas markets is as follows:

	For the year ended 31 December		
	2024	2023	Change
	Revenue (RMB'000)	Revenue (RMB'000)	
Overseas market	90,179	67,635	33%
Products of domestic subsidiaries	15,598	3,718	320%
Products of overseas subsidiaries	74,581	63,917	17%

In 2024, the Group's direct foreign revenue amounted to approximately RMB90,179,000, representing an increase of approximately 33% as compared to 2023.

4. Update on research and development ("R&D") and new business

The Group has always considered technological innovation to be the primary driver of its development and places great emphasis on the R&D of new technology and the R&D team building. The Group is committed to promote the rapid development of its technological capabilities and operating results by accelerating the exploration and the R&D of internationally leading power semiconductor and supporting device technologies, and international cutting-edge power electronics technologies.

In 2024, the R&D of the Group's business was as follows:

(a) Chips

In 2024, the Group launched a number of new products, including 1200V SiC MOSFET chips with resistivity as low as 13 milliohms; i23 series 1200V / 300A IGBT chips with the 7th generation of microtrench technology; 1200V/200A, 1200V/150A, 1200V/100A, 1700V/150A, 1700V/100A and 1700V/75A, and some other i20 series chips.

(b) Modules

With the above self-developed chips as the core, the Group has successively launched IGBT module series in 1050V FP type and 1700V EP type, and added more products in 1200V, 1700V ED type and ST type modules with more current ratings, which further expanded the Group's IGBT module product line. By the end of 2024, the Group almost completed the internal construction of the plant and the procurement of equipment for the third testing production line of the IGBT module type and the first testing production line of the SiC module type. The production of the Group's IGBT and SiC modules will be further enhanced.

(c) Power electronic capacitors

The Group's DC support capacitors (categorised as power electronic capacitors) was selected as the national first (set of) major technical equipment in the energy field

FINANCIAL REVIEW

Revenue

The revenue increased by approximately 52.7% from approximately RMB1,054.7 million for the year ended 31 December 2023 to approximately RMB1,610.2 million for the year ended 31 December 2024, primarily due to the successive delivery by the Group of products ordered for a total of three UHV regular DC transmission projects of Jinshang-Hubei, Hami-Chongqing and Ningxia-Hunan, the Second Phase of the Qinghai-Tibet Project, the Itaipu of Brazil Transmission and Transformation Project, the Germany BorWin6 Offshore Wind Power Project, the Yangjiang-Qingzhou Transmission Project, the Huaneng Yuhuan Transmission Project and the Sichuan Grid Energy Storage Project.

Cost of sales

The cost of sales increased by approximately 51.5% from approximately RMB719.2 million for the year ended 31 December 2023 to approximately RMB1,089.5 million for the year ended 31 December 2024, primarily due to the increase in revenue.

Gross profit and gross profit margin

The gross profit increased by approximately 55.2% from approximately RMB335.5 million for the year ended 31 December 2023 to approximately RMB520.7 million for the year ended 31 December 2024, primarily due to the increase in revenue and the increase in proportion of high gross profit margin products.

The gross profit margin increased from approximately 31.8% for the year ended 31 December 2023 to approximately 32.3% for the year ended 31 December 2024, primarily due to the increase in proportion of high gross profit margin products.

Other income and gains

The other income and gains decreased by approximately 12.0% from approximately RMB67.3 million for the year ended 31 December 2023 to approximately RMB59.2 million for the year ended 31 December 2024, primarily due to the decrease in gain on foreign exchange.

Selling and distribution expenses

The selling and distribution expenses increased by approximately 25.3% from approximately RMB84.6 million for the year ended 31 December 2023 to approximately RMB106.0 million for the year ended 31 December 2024, primarily due to the increase in market development expenses and number of sales personnel.

Administrative expenses

The administrative expenses increased by approximately 15.6% from approximately RMB138.4 million for the year ended 31 December 2023 to approximately RMB160.0 million for the year ended 31 December 2024, primarily due to the increase in business volume and number of management personnel.

R&D costs

The R&D costs increased by approximately 21.0% from approximately RMB113.6 million for the year ended 31 December 2023 to approximately RMB137.5 million for the year ended 31 December 2024, primarily due to the increase in R&D investment.

Other expenses and losses

The other expenses and losses increased by approximately 682.6% from approximately RMB4.6 million for the year ended 31 December 2023 to approximately RMB36.0 million for the year ended 31 December 2024, primarily due to the loss on foreign exchange during the year.

Finance costs

The finance costs increased by approximately 63.6% from approximately RMB11.0 million for the year ended 31 December 2023 to approximately RMB18.0 million for the year ended 31 December 2024, primarily due to the increase in average balance of bank loans.

Profit before tax

The profit before tax increased by approximately 160.0% from approximately RMB47.0 million for the year ended 31 December 2023 to approximately RMB122.2 million for the year ended 31 December 2024, primarily due to the increase in revenue.

Income tax expense

The income tax expenses increased by approximately 66.8% from approximately RMB22.0 million for the year ended 31 December 2023 to approximately RMB36.7 million for the year ended 31 December 2024, primarily due to the increase in profit before tax.

Total comprehensive revenue for the year

The net profit margin, which is calculated as profit attributable to owners of the parent for the year divided by revenue, increased from approximately 3.0% for the year ended 31 December 2023 to approximately 6.3% for the year ended 31 December 2024.

The profit attributable to owners of the parent increased by approximately 225.4% from approximately RMB31.5 million for the year ended 31 December 2023 to approximately RMB102.5 million for the year ended 31 December 2024, primarily due to the increase in revenue.

The total comprehensive revenue attributable to owners of the parent increased by approximately 282.5% from approximately RMB26.3 million for the year ended 31 December 2023 to approximately RMB100.6 million for the year ended 31 December 2024, primarily due to the increase in revenue.

Inventories

The inventories increased by approximately 26.1% from approximately RMB229.9 million as at 31 December 2023 to approximately RMB289.9 million as at 31 December 2024, primarily due to the increase in stock at the end of the year.

The average inventory turnover days decreased from approximately 107 days for the year ended 31 December 2023 to approximately 94 days for the year ended 31 December 2024.

Trade and bills receivables

The trade and bills receivables increased by approximately 42.5% from approximately RMB814.6 million as at 31 December 2023 to approximately RMB1,161.2 million as at 31 December 2024, primarily due to the increase in revenue.

The average trade and bills receivables turnover days decreased from approximately 255 days for the year ended 31 December 2023 to approximately 233 days for the year ended 31 December 2024.

Trade and bills payables

The trade and bills payables increased by approximately 38.2% from approximately RMB301.5 million as at 31 December 2023 to approximately RMB416.7 million as at 31 December 2024, primarily due to the increase in stock at the end of the year.

The average trade and bills payables turnover days decreased from approximately 140 days for the year ended 31 December 2023 to approximately 120 days for the year ended 31 December 2024, primarily due to the account period management.

Liquidity and financial resources

The Group's principal sources of working capital included cash flow generated from the sales of its products and bank borrowings.

The current ratio (current assets divided by current liabilities) decreased from approximately 2.9 as at 31 December 2023 to approximately 2.2 as at 31 December 2024, primarily due to the increase in payables for stock at the end of the period.

As at 31 December 2024, the cash and bank balances denominated in Renminbi amounted to approximately RMB258.7 million (2023: approximately RMB660.6 million). The cash and cash equivalents decreased by approximately 48.0% from approximately RMB799.3 million as at 31 December 2023 to approximately RMB415.5 million as at 31 December 2024, primarily due to the repayment of bank loans during the year, the stock at the end of the year and the preliminary expenditures on the expansion of the new energy business.

As at 31 December 2024, the interest-bearing bank and other borrowings were denominated in Renminbi. The interest-bearing bank and other borrowings decreased by approximately 21.8% from approximately RMB382.7 million as at 31 December 2023 to RMB299.3 million as at 31 December 2024.

The gearing ratio, measured on the basis of total interest-bearing bank and other borrowings divided by total equity, decreased from approximately 19.9% as at 31 December 2023 to approximately 15.0% as at 31 December 2024, primarily due to the decrease in bank borrowings during the year.

The Group continues to implement prudent financial management policies and monitor its capital structure based on the ratio of total liabilities to total assets.

Foreign currency exposure

As most of the principal subsidiaries of the Company operate in the PRC, their functional currency is RMB. The Group has transactional currency exposures. These exposures arise from purchases by operating units in currencies other than the units' functional currencies. In order to minimise the impact of foreign exchange exposure, the Group has entered into forward currency contracts with creditworthy banks to hedge its exchange rate exposures.

Contingent liabilities

As at 31 December 2024, the Group had no significant contingent liabilities (31 December 2023: Nil).

Pledge of Group's assets

As at 31 December 2024, certain of the bills payable were secured by the bills receivable amounting to approximately RMB74.0 million (2023: approximately RMB21.0 million).

As at 31 December 2024, bank loans in the amount of RMB104.1 million were secured by certain of the land use rights and buildings, plant and machinery with net carrying amounts at 31 December 2024 of approximately RMB16.0 million and RMB217.4 million (2023: approximately RMB27.5 million and RMB288.5 million), respectively.

Events after reporting year

There were no important events affecting the Group which have occurred since 31 December 2024 and up to the date of this announcement.

HUMAN RESOURCES

As at 31 December 2024, the Group employed 977 employees. Key components of the Group's remuneration packages included basic salary, medical insurance, discretionary cash bonus and retirement benefit scheme. The Group conducts periodic appraisals on the performance of its employees, and their salaries and bonuses are performance-based. The Group focuses on the establishment of internal management training and development systems. Therefore, the Group has adopted diversified training courses to meet the different needs of employees at all levels and to enhance their skill set. The Group did not experience any significant problems with its employees or disruptions to its operations due to labour disputes, nor did it experience any difficulty in the recruitment and retention of experienced employees. The Group maintains a good relationship with its employees.

PROSPECTS

Looking ahead, the "14th Five-Year Plan" and "15th Five-Year Plan" periods are the key period and window period for realising the strategic goal of "dual carbon", as well as the golden period for the technological revolution of energy and the development of energy equipment industry.

According to the analysis of the "Analysis and Forecast Report on the National Electricity Supply and Demand Situation for 2024-2025", the additional installed capacity of new energy power generation in the PRC will exceed 300 million kW in 2025, and the pressure of new energy consumption in some regions is highlighted. As the total amount and proportion of new energy power continues to rise, it not only brings urgent demand for new energy grid connection and transmission technologies such as UHVDC and flexible transmission, but also significantly increases the demand for new energy and energy storage equipment and components.

The upstream and downstream industries of new energy such as DC power transmission, electric vehicles, new energy power generation, industrial control, etc., to which the Group is orientated, have shown a good development trend. With the corporate mission of "promoting the development of green energy through technological innovation", the Group will continue to strengthen the building of its R&D team, develop innovative technologies and products, and seize the opportunities for industrial development brought about by the reforms in energy technology, in order to accelerate the growth of the Company's business scale and operating results.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As at 31 December 2024, the number of shares in issue of the Company (the “**Share(s)**”) was 1,603,834,000 with nominal value of HK\$0.1 each, among which 6,340,000 were treasury Shares (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)).

For the year ended 31 December 2024, the Company repurchased 28,530,000 Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for a total purchase price (including relevant expenses) of approximately HK\$31,637,403. Details of the repurchase of such Shares are as follows:

Month of repurchase in 2024	Number of Shares repurchased	Purchase price per Share		Total purchase price (Approximately) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	2,590,000	1.32	1.21	3,209,793
February	13,176,000	1.25	1.01	14,989,246
March	1,200,000	1.24	1.18	1,446,829
April	896,000	1.20	1.14	1,047,665
June	382,000	1.16	1.11	436,733
July	946,000	1.14	1.04	1,023,414
August	2,990,000	0.97	0.91	2,813,026
September	3,750,000	1.16	0.86	3,476,591
October	1,200,000	1.35	1.18	1,527,242
November	1,370,000	1.29	1.10	1,631,724
December	30,000	1.17	1.16	35,140
	<u>28,530,000</u>			<u>31,637,403</u>

Among the 28,530,000 Shares repurchased in 2024, 19,190,000 Shares were cancelled.

Among the 9,340,000 Shares repurchased in 2024 that had not been cancelled, (a) 6,340,000 Shares were withdrawn from Central Clearing and Settlement System (“**CCASS**”) in 2024, re-registered in the name of the Company and held by the Company as treasury Shares; and (b) 3,000,000 Shares were withdrawn from CCASS in January 2025, re-registered in the name of the Company and held by the Company as treasury Shares. The Company may sell, transfer or otherwise dispose of the treasury Shares in the light of market conditions and its capital management needs and subject to the compliance with the Listing Rules. The Company will not exercise any shareholders’ right or receive any entitlement in respect of such treasury Shares.

From the beginning of 2025 to the date of this announcement, the Company repurchased 240,000 Shares on the Stock Exchange for a total purchase price (including relevant expenses) of approximately HK\$314,862. Details of the repurchase of such Shares are follows:

Month of repurchase in 2025	Number of Shares repurchased	Purchase price per Share		Total purchase price (Approximately) (HK\$)
		Highest	Lowest	
		(HK\$)	(HK\$)	
January	240,000	1.33	1.28	314,862

The 240,000 Shares repurchased in January 2025 have been deposited in CCASS and will be held by the Company as treasury Shares after being withdrawn from CCASS and re-registered in the name of the Company. The Company may sell, transfer or otherwise dispose of the treasury Shares in the light of market conditions and its capital management needs and subject to the compliance with the Listing Rules. The Company will not exercise any shareholders' right or receive any entitlement in respect of such treasury Shares.

The abovementioned repurchases were made for the benefit of the Company and its shareholders (the “**Shareholders**”) as a whole, with the aim of increasing the market price per Share and improving investor confidence in the Company.

CORPORATE GOVERNANCE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of the Shareholders. The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practices. The Board also reviews and monitors the practices of the Company from time to time with the aim of maintaining and improving the standard of corporate governance practices. The Company has met the applicable code provisions set out in Part 2 of the Corporate Governance Code during the year ended 31 December 2024.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Company confirms that, having made specific enquiry of all the Directors, the Directors complied with the required standards as set out in the Model Code during the year ended 31 December 2024.

REVIEW OF FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The audit committee of the Board has reviewed with the management accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters, including the review of the audited consolidated financial statements of the Group for the year ended 31 December 2024.

DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.01 per Share for the year ended 31 December 2024 (2023: nil) out of the share premium account of the Company. The proposed final dividend is subject to the approval by the Shareholders in the forthcoming annual general meeting of the Company (the “**Annual General Meeting**”) and will be paid on or around Monday, 30 June 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 16 June 2025.

ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held on Friday, 6 June 2025 at 10:00 a.m.. The notice of Annual General Meeting will be issued in due course.

CLOSURE OF REGISTER

In order to establish the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 2 June 2025. The register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, both days inclusive, during which period no transfer of Shares will be registered. The Shareholders whose names appear on the register of members of the Company on Friday, 6 June 2025 are entitled to attend and vote at the Annual General Meeting.

In order to establish the identity of the Shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Wednesday, 11 June 2025. The register of members of the Company will be closed from Thursday, 12 June 2025 to Monday, 16 June 2025, both days inclusive, during which period no transfer of Shares will be registered.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sunking-tech.com. The Company's annual report for the year 2024 will be available at the same websites and despatched to the Shareholders upon request.

PRESENTATION

The Company will host a results presentation at the Ballroom, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong to discuss the annual results of the Group for the year ended 31 December 2024 with the Shareholders and the potential investors of the Company on Thursday, 20 March 2025 from 3:00 p.m. to 4:00 p.m. (Hong Kong time).

By Order of the Board
Sun.King Technology Group Limited
Xiang Jie
Chairman

Hong Kong, 20 March 2025

As at the date of this announcement, the executive Directors are Mr. Xiang Jie, Mr. Gong Renyuan and Mr. Yue Zhoumin; and the independent non-executive Directors are Mr. Chen Shimin, Mr. Zhang Xuejun and Mr. Leung Ming Shu and Ms. White Caige.