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

**(Stock Code: 2381)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of SMC Electric Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>257,278</b>	232,920
Cost of revenue		<u>(186,203)</u>	<u>(169,228)</u>
<b>Gross profit</b>		<b>71,075</b>	63,692
Other income		<b>6,976</b>	7,201
Selling and distribution expenses		<b>(1,778)</b>	(1,581)
Administrative and other operating expenses		<b>(45,182)</b>	(44,986)
Reversal of impairment loss on financial assets		<b>131</b>	64
Other (losses)/gains		<b>(25)</b>	257
Finance costs		<u><b>(121)</b></u>	<u>(168)</u>
<b>Profit before income tax</b>	5	<b>31,076</b>	24,479
Income tax expense	6	<u><b>(4,716)</b></u>	<u>(3,706)</u>
<b>Profit for the year attributable to owners of the Company</b>		<u><b>26,360</b></u>	<u>20,773</u>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising from translation of operations outside Hong Kong		<u><b>(40)</b></u>	<u>(232)</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<u><b>26,320</b></u>	<u>20,541</u>
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Earnings per share</b>	8		
– Basic and diluted		<u><b>1.318</b></u>	<u>1.039</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,746	4,493
Right-of-use assets		6,976	3,548
Prepayments for acquisition of property, plant and equipment		892	2,862
Deferred tax assets		713	–
		<b>14,327</b>	10,903
<b>Current assets</b>			
Inventories		20,353	18,047
Trade and other receivables, deposits and prepayments	9	78,031	72,223
Cash and bank balances		90,431	82,158
		<b>188,815</b>	172,428
<b>Current liabilities</b>			
Trade and other payables and accruals	10	58,212	49,708
Lease liabilities		3,386	3,596
Amounts due to fellow subsidiaries		536	497
Tax payable		1,321	2
		<b>63,455</b>	53,803
<b>Net current assets</b>		<b>125,360</b>	118,625
<b>Total assets less current liabilities</b>		<b>139,687</b>	129,528
<b>Non-current liabilities</b>			
Lease liabilities		3,585	–
Deferred tax liabilities		521	267
		<b>4,106</b>	267
<b>Net assets</b>		<b>135,581</b>	129,261
<b>CAPITAL AND RESERVES</b>			
Share capital	11	20,000	20,000
Reserves		115,581	109,261
<b>Total equity</b>		<b>135,581</b>	129,261

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2024*

## 1. GENERAL INFORMATION

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

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

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

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

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards which collective term includes individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) 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 Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost basis.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

Accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates and assumptions are based on management’s best knowledge and judgment of current events and actions, actual results may ultimately be different from those estimates and assumptions.

## 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS

### (a) Adoption of amendments to HKFRS – effective on 1 January 2024

The HKICPA has issued a number of amendments to HKFRS that are relevant to and effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The adoption of the above amendments to HKFRS that are effective from 1 January 2024 does not have any significant impact on the Group’s financial results and financial position.

**(b) New and amendments to HKFRS that have been issued but are not yet effective**

The following new and amendments to HKFRS, 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 in the preparation of the consolidated financial statements.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

The Directors anticipate that all of the relevant pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The Directors are currently assessing the possible impact of these new and amendments to standards on the Group's results and financial position in the first year of application. Except for those mentioned below, the Directors consider that these new and amendments to standards are unlikely to have a material impact to the Group's consolidated financial statements.

*Amendments to HKFRS 9 and HKFRS 7*

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

The Group is in the process of reviewing the derecognition practices for financial assets and financial liabilities to ensure compliance and assessing the impact of amendments to the Group's financial statements upon adoption.

*HKFRS 18 – Presentation and Disclosure in Financial Statements*

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosures are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's financial statements. Based on preliminary assessment, the line items presented in the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation. The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. Moreover, there will be significant new disclosures required for management-defined performance measures. HKFRS 18 is effective for annual periods beginning on or after 1 January 2027. Retrospective application is required and so the comparative information for the financial year ending 31 December 2026 will be restated in the accordance with HKFRS 18.

#### 4. REVENUE

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Sales of electric fans and electric tools:		
– Fans	<b>120,202</b>	102,559
– Vacuum cleaners	<b>112,855</b>	107,013
– Work lights	<b>24,120</b>	21,687
– Others	<b>101</b>	1,661
	<u><b>257,278</b></u>	<u>232,920</u>

#### 5. PROFIT BEFORE INCOME TAX

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Profit before income tax is arrived at after charging/ (crediting):		
Auditors' remuneration:		
– Current year	<b>830</b>	858
Cost of inventories recognised as expense		
– Carrying amount of inventories consumed	<b>186,326</b>	169,379
– Reversal of allowance for inventories	<b>(123)</b>	(151)
	<u><b>186,203</b></u>	<u>169,228</u>
Depreciation of property, plant and equipment	<b>2,130</b>	2,053
Depreciation of right-of-use assets	<b>3,537</b>	5,355
Donations	<b>1,525</b>	520
Employee benefit expenses (including directors' emoluments):		
– Salaries, wages and other benefits	<b>36,486</b>	32,788
– Contribution to defined contribution retirement plans	<b>1,423</b>	1,309
	<u><b>37,909</b></u>	<u>34,097</u>

## 6. INCOME TAX EXPENSE

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

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Current tax for the year		
– Hong Kong Profits Tax	<b>3,396</b>	3,513
– Other regions of the People's Republic of China (the "PRC") –Enterprise Income Tax ("EIT")	<b>1,944</b>	155
	<u><b>5,340</b></u>	<u>3,668</u>
(Over)/Under provision in prior years		
– Hong Kong Profits Tax	<b>(146)</b>	(189)
– Other regions of the PRC	<b>(19)</b>	96
	<u><b>(165)</b></u>	<u>(93)</u>
Deferred tax	<u><b>(459)</b></u>	<u>131</u>
Income tax expense	<u><b>4,716</b></u>	<u>3,706</u>

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

Hong Kong Profits Tax was calculated at 16.5% (2023: 16.5%) on the estimated assessable profits derived from Hong Kong for the year.

EIT arising from other regions of the PRC is calculated at 25% on the estimated assessable income for the year. During the year ended 31 December 2023, SMC Electric (China) Limited qualified as a Small and Micro Enterprise ("SME") and was entitled to the PRC preferential EIT rate of 5%. Pursuant to the Announcement of the PRC [2023] No. 12 "Announcement on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses" (《關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) issued by the Ministry of Finance and the State Taxation Administration, for an entity qualified as SME, the taxable income not exceeding RMB3 million shall be calculated at a reduced rate of 25% as taxable income and be subject to EIT rate of 20%, i.e. an effective rate of 5%.

## 7. DIVIDENDS

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Interim dividend of HK\$0.005 (2023: HK\$0.005) per ordinary share	<b>10,000</b>	10,000
Proposed final dividend of HK\$0.005 (2023: HK\$0.005) per ordinary share	<b>10,000</b>	10,000
	<u><b>20,000</b></u>	<u>20,000</u>

The final dividend of HK\$0.005 (2023: HK\$0.005) per ordinary share, amounting to HK\$10,000,000 (2023: HK\$10,000,000), has been proposed by the directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit:</b>		
Profit for the year attributable to owners of the Company	<u>26,360</u>	<u>20,773</u>
	<b>2024</b>	2023
	<b>Number of shares</b>	Number of shares
	<i>'000</i>	<i>'000</i>
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue during the year	<u>2,000,000</u>	<u>2,000,000</u>

### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in issue during the current and prior years.

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

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	<b>67,659</b>	62,659
Less: Provision for impairment	<u>(176)</u>	<u>(307)</u>
Trade receivables, net	<b>67,483</b>	62,352
Other receivables	<b>951</b>	1,338
Other prepayments and deposits	<u>9,597</u>	<u>8,533</u>
	<u><b>78,031</b></u>	<u>72,223</u>



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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	<b>20,277</b>	16,557
31 to 60 days	<b>16,451</b>	15,503
61 to 90 days	<b>13,153</b>	15,571
Over 90 days	<b>17,778</b>	15,028
	<b>67,659</b>	62,659

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

#### 10. TRADE AND OTHER PAYABLES AND ACCRUALS

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<b>33,478</b>	22,474
Accruals and other payables	<b>22,617</b>	25,222
Contract liabilities	<b>2,117</b>	2,012
	<b>58,212</b>	49,708

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

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

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 30 days	<b>14,672</b>	9,626
31 to 60 days	<b>9,097</b>	4,796
61 to 90 days	<b>2,659</b>	3,757
Over 90 days	<b>7,050</b>	4,295
	<b>33,478</b>	22,474

#### 11. SHARE CAPITAL

Details of the movements in the authorised and issued and fully paid share capital of the Company during the current and prior years are summarised as follows:

<b>Ordinary shares</b>	<b>Par value</b> <i>HK\$</i>	<b>Number of</b> <b>ordinary</b> <b>shares</b>	<b>Amount</b> <i>HK\$'000</i>
<b>Authorised:</b>			
At 1 January 2023, 31 December 2023 and 2024	0.01	5,000,000,000	50,000
<b>Issued and fully paid:</b>			
At 1 January 2023, 31 December 2023 and 2024	0.01	2,000,000,000	20,000

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the year ended 31 December 2024, overall sales increased compared to the prior year. Both the electric fan business and the electric tools business experienced positive growth in revenue and maintained a stable gross profit margin.

The electric fan business's growth was mainly attributed to the increase in demand in the Middle East, Africa and Asia markets.

The electric tools business has launched new products in accordance to changes in market demand.

Looking forward, year 2025 continues to be challenging due to the effect of both tariff and trade war, therefore we are not so optimistic. We will advance with changes in time, tailor products according to customers' needs and diversify some of our products to be produced in Vietnam. We hope we can achieve a stable return.

### **FINANCIAL REVIEW**

#### **Revenue and Operating Results**

Revenue from the Group's operations for the year ended 31 December 2024 amounted to HK\$257.3 million, representing an increase of HK\$24.4 million or 10.5% as compared to HK\$232.9 million for the year ended 31 December 2023. Such increase was primarily attributable to the increase in the sales volume.

The Group's gross profit for the year ended 31 December 2024 amounted to HK\$71.1 million, representing an increase of HK\$7.4 million as compared to HK\$63.7 million for the year ended 31 December 2023. The gross profit margin for the year ended 31 December 2024 was 27.6%, representing an increase of 0.3 percentage points compared to 27.3% for the year ended 31 December 2023.

Profit attributable to the owners of the Company for the year ended 31 December 2024 was HK\$26.4 million, representing an increase of HK\$5.6 million or 26.9% as compared to HK\$20.8 million for the year ended 31 December 2023. The increase in profit for the year was mainly attributable to the increase of revenue as mentioned above.

## **Liquidity, Financial Resources and Capital Structure**

The Group has adequate liquidity and financial resources to meet the working capital requirements and other financial obligations in the next financial year. The Group will continue to follow a prudent treasury policy and maintain a healthy financial and liquidity position to achieve the Group's future business development. As at 31 December 2024, the Group's total cash and bank balances amounted to HK\$90.4 million (2023: HK\$82.2 million) which is mainly denominated in United States Dollars ("US\$").

As at 31 December 2024, the current ratio of the Group was 2.98 times (2023: 3.20 times).

The capital of the Group comprises only ordinary shares. As at 31 December 2024, there were 2,000,000,000 ordinary shares in issue. There has been no change in the Company's capital structure since the date of listing and up to the date of this announcement.

## **Foreign Exchange Exposure**

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

## **Gearing Ratio**

The gearing ratio of the Group (expressed as a percentage of total bank borrowings net of cash and bank balances to total equity of the Group) as at 31 December 2024 was nil (2023: nil) as the Group had net cash balances at the respective year end.

## **Capital Expenditure and Capital Commitments**

During the year ended 31 December 2024, the Group incurred capital expenditure of HK\$8.5 million for the purchase of property, plant and equipment, right-of-use assets and prepayment for acquisition of property, plant and equipment (2023: HK\$5.4 million).

As at 31 December 2024, the Group had total capital commitments of approximately HK\$0.1 million (2023: HK\$0.6 million) for the acquisition of property, plant and equipment.

### **Contingent Liabilities**

The Directors confirm that there were no material contingent liabilities as at 31 December 2024 (2023: nil).

### **Significant Investment/Material Acquisition and Disposal**

During the year ended 31 December 2024, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries.

### **Employees and Remuneration Policy**

As at 31 December 2024, the total number of employees of the Group was 115 (2023: 112), which were stationed in the PRC, Hong Kong and Vietnam. The Group regularly reviews remuneration and benefits to its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance, employee provident fund schemes and discretionary incentive.

### **PLEDGE ON ASSETS**

As at 31 December 2024, the Group did not have any assets which were pledged as security for the Group's borrowings (2023: nil).

### **USE OF PROCEEDS FROM THE SHARE OFFER**

The business planned use of proceeds as stated in the prospectus of the Company (the "**Prospectus**") dated 19 May 2020 were based on the best estimation of future market conditions made by the Group at the time of preparing the Prospectus. The net proceeds from the share offer (after deducting the underwriting fees and related expenses) amounted to approximately HK\$42.5 million. As disclosed in the Company's announcement dated 27 June 2023 (the "**Change in Use of Proceeds Announcement**"), having carefully considered the latest business and development needs of the Group, the Board have resolved to change the proposed use of the unutilised net proceeds in the amount of approximately HK\$34.0 million originally allocated for (i) improving of efficiencies; (ii) expanding manufacturing capabilities and (iii) devoting resources on new products. Please refer to the Change in Use of Proceeds Announcement for details. The following table sets forth the status of the use of proceeds as at 31 December 2024.

	Allocation of net proceeds as disclosed in the Prospectus <i>HK\$ million</i>	Reallocation as stated in the Change in Use of Proceeds Announcement <i>HK\$ million</i>	Utilised amount as at 31 December 2023 <i>HK\$ million</i>	Unutilised amount as at 31 December 2023 <i>HK\$ million</i>	Utilised amount during the year <i>HK\$ million</i>	Unutilised amount as at 31 December 2024 <i>HK\$ million</i>
Improvement of efficiencies	6.3	(2.8)	(3.3)	0.2	(0.2)	-
Expand manufacturing capabilities	25.9	(21.5)	(4.0)	0.4	(0.4)	-
Devoting resources on new products	10.3	(9.7)	(0.6)	-	-	-
Discount purchase of products from suppliers	-	34.0	(11.6)	22.4	(22.4)	-
	<u>42.5</u>	<u>-</u>	<u>(19.5)</u>	<u>23.0</u>	<u>(23.0)</u>	<u>-</u>

As shown in the above table, all of the net proceeds had been fully utilised as at 31 December 2024.

### SHARE OPTION SCHEME

The Company has a share option scheme (the “**Share Option Scheme**”) which was approved and adopted by the shareholder of the Company on 29 April 2020.

No share option has been granted under the Share Option Scheme since its adoption.

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

During the year ended 31 December 2024, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Listing Rules have been duly adopted by the Board as the code on corporate governance practices of the Company.

The Company has complied with the code provisions of the CG Code as set out in Appendix C1 to the Listing Rules for the time being in force throughout the year ended 31 December 2024.

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management and relevant employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company’s securities.

Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2024. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year under review.

## **AUDIT COMMITTEE**

The Company has established an audit committee comprising two independent non-executive directors and one non-executive director, namely Mr. Leung Man Chiu, Lawrence (Chairman), Mr. Poon Chak Sang, Plato and Mr. Yung Kwok Kee, Billy. The audit committee has reviewed, with no disagreement, with the senior management on the Group’s annual results and the consolidated financial statements for the year ended 31 December 2024, including the accounting principles and practices adopted by the Group, and discussed financial reporting, auditing, internal controls and risk management systems.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the HKEXnews website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company’s website (<http://www.smcelectric.com.hk>). The 2024 Annual Report for the year ended 31 December 2024 will be despatched to shareholders of the Company and will be made available on the above websites in due course.

## **REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on the preliminary announcement.

## **FINAL DIVIDEND**

The Board of the Company has proposed a final dividend of HK\$0.005 (2023: HK\$0.005) per ordinary share for the year ended 31 December 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain the members' entitlement to attend and vote at the forthcoming annual general meeting, the register of members will be closed from Friday, 6 June 2025 to Friday, 13 June 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 June 2025.

Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend will be payable on Wednesday, 16 July 2025 to the shareholders whose names appear on the register of members of the Company on Tuesday, 24 June 2025. To ascertain the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from Friday, 20 June 2025 to Tuesday, 24 June 2025, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 19 June 2025.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong on Friday, 13 June 2025 at 11:30 a.m. The notice of the annual general meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

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

Hong Kong, 24 March 2025

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