

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED**

**中國航天國際控股有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 31)**

### **ANNOUNCEMENT OF ANNUAL RESULTS 2024**

The Board of Directors (the “Board”) of China Aerospace International Holdings Limited (the “Company”) is pleased to announce the audited results and financial statements of the Company and its subsidiaries (collectively the “Group”) for the financial year ended 31 December 2024.

#### **SUMMARY OF RESULTS**

The audited consolidated results of the Group for the year ended 31 December 2024 and the comparative figures of the same period in 2023 are as follows:

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*FOR THE YEAR ENDED 31 DECEMBER 2024*

		<b>2024</b>	<b>2023</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	<b>3,841,472</b>	3,450,954
Cost of sales		<b>(3,033,618)</b>	(2,750,237)
Gross profit		<b>807,854</b>	700,717
Other income	4	<b>91,332</b>	77,881
Other gains and losses	4	<b>(17,609)</b>	31,094
Impairment loss under expected credit loss model (“ECL”), net of reversal		<b>(27,065)</b>	(4,931)
Selling and distribution expenses		<b>(85,631)</b>	(84,274)
Administrative expenses		<b>(401,471)</b>	(394,991)
Research and development expenses		<b>(189,661)</b>	(162,388)
Fair value changes of investment properties		<b>(299,754)</b>	(123,085)
Finance costs		<b>(53,409)</b>	(60,818)
Share of results of associates		<b>4,357</b>	(3,573)
Share of results of joint ventures		<b>134</b>	(2,191)
Loss before taxation	5	<b>(170,923)</b>	(26,559)

		<b>2024</b>	2023
	<i>NOTES</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Taxation	6	<u>87,070</u>	<u>24,794</u>
Loss for the year		<u>(83,853)</u>	<u>(1,765)</u>
(Loss) profit for the year attributable to:			
Owners of the Company		(53,307)	4,047
Non-controlling interests		<u>(30,546)</u>	<u>(5,812)</u>
		<u>(83,853)</u>	<u>(1,765)</u>
<b>(Loss) earnings per share</b>			
Basic and diluted	7	<u>(HK1.73 cents)</u>	<u>HK0.13 cents</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2024*

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Loss for the year	<u>(83,853)</u>	<u>(1,765)</u>
<b>Other comprehensive expense includes:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translating foreign operations		
— subsidiaries	(247,728)	(240,855)
— associates	(7,514)	(7,223)
— joint ventures	637	(2,160)
Reclassification adjustments for the cumulative exchange differences upon deregistration of a joint venture	<u>(16,213)</u>	<u>—</u>
Other comprehensive expense for the year	<u>(270,818)</u>	<u>(250,238)</u>
Total comprehensive expense for the year	<u><u>(354,671)</u></u>	<u><u>(252,003)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(257,091)	(185,517)
Non-controlling interests	<u>(97,580)</u>	<u>(66,486)</u>
	<u><u>(354,671)</u></u>	<u><u>(252,003)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2024**

	<i>NOTES</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>2,241,421</b>	1,994,602
Right-of-use assets		<b>196,624</b>	231,608
Investment properties		<b>7,992,128</b>	8,536,258
Interests in associates		<b>237,007</b>	240,426
Interests in joint ventures		<b>66,045</b>	137,413
Financial assets at fair value through profit or loss (“FVTPL”)		<b>107,227</b>	125,915
Deposit paid for property, plant and equipment		<b>88,585</b>	20,872
Pledged bank deposits		<b>–</b>	10,000
Long term assets		<b>24,854</b>	22,775
		<b>10,953,891</b>	11,319,869
<b>Current assets</b>			
Inventories		<b>556,372</b>	455,543
Trade and other receivables	9	<b>1,200,250</b>	1,042,629
Amount due from a related party		<b>1,358</b>	207
Financial assets at FVTPL		<b>1,447</b>	2,226
Pledged bank deposits		<b>39,110</b>	19,546
Restricted bank deposits		<b>31,756</b>	30,112
Short-term bank deposits		<b>342,584</b>	204,008
Cash and cash equivalents		<b>1,154,546</b>	1,509,144
		<b>3,327,423</b>	3,263,415
<b>Current liabilities</b>			
Trade and other payables	10	<b>1,307,921</b>	1,204,944
Contract liabilities		<b>67,145</b>	50,258
Lease liabilities		<b>36,761</b>	34,075
Bank borrowings		<b>164,251</b>	5,531
Amount due to a joint venture		<b>64,087</b>	59,087
Loan from a related party		<b>–</b>	12,074
Taxation payable		<b>9,017</b>	61,679
		<b>1,649,182</b>	1,427,648
<b>Net current assets</b>		<b>1,678,241</b>	1,835,767
<b>Total assets less current liabilities</b>		<b>12,632,132</b>	13,155,636

	2024 HK\$'000	2023 HK\$'000
<b>Non-current liabilities</b>		
Lease liabilities	68,720	90,627
Bank borrowings	185,574	101,612
Loan from a major shareholder	106,270	109,890
Loan from a related party	1,057,386	1,159,451
Deferred taxation	2,097,893	2,223,096
	<u>3,515,843</u>	<u>3,684,676</u>
	<u>9,116,289</u>	<u>9,470,960</u>
<b>Capital and reserves</b>		
Share capital	1,154,511	1,154,511
Reserves	5,999,875	6,256,966
	<u>7,154,386</u>	<u>7,411,477</u>
<b>Equity attributable to owners of the Company</b>	<u>1,961,903</u>	<u>2,059,483</u>
<b>Non-controlling interests</b>	<u>9,116,289</u>	<u>9,470,960</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

#### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### 3. SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports reviewed by the President, the chief operating decision maker (“CODM”) of the Group, that are used to make strategic decisions. There are 7 reportable segments (2023: 7 reportable segments), namely Hi-Tech Manufacturing Business (including plastic products, liquid crystal display, printed circuit boards, intelligent chargers, intelligent power modules and industrial property investment) and Aerospace Service (including property investment in Shenzhen Aerospace Science & Technology Plaza “S&T Plaza”) which represent the major industries in which the Group is engaged.

In addition to the above reportable segments, other operating segments include property investments and management in properties other than those included in the above reportable segments and provision for other services. None of these segments met the quantitative thresholds for the reportable segments in both current and prior year. Accordingly, these were grouped in “Other Business”.

An analysis of the Group's revenue and results by operating and reportable segments is as follows:

**For the year ended 31 December 2024**

	Revenue			Segment results HK\$'000
	External sales HK\$'000	Inter-segment sales HK\$'000	Total HK\$'000	
Hi-Tech Manufacturing Business				
Plastic products	1,659,515	26,321	1,685,836	67,862
Liquid crystal display	650,887	306	651,193	42,364
Printed circuit boards	994,959	–	994,959	39,882
Intelligent chargers	285,266	1,123	286,389	178
Intelligent power modules	17,424	–	17,424	(30,912)
Industrial property investment	10,525	27,526	38,051	(27,963)
	<u>3,618,576</u>	<u>55,276</u>	<u>3,673,852</u>	<u>91,411</u>
Aerospace Service				
Property investment in S&T Plaza	<u>213,746</u>	<u>5,148</u>	<u>218,894</u>	<u>(132,099)</u>
Reportable segments total	3,832,322	60,424	3,892,746	(40,688)
Elimination	–	(60,605)	(60,605)	–
Other Business	<u>9,150</u>	<u>181</u>	<u>9,331</u>	<u>1,248</u>
	<u>3,841,472</u>	<u>–</u>	<u>3,841,472</u>	<u>(39,440)</u>
Unallocated corporate income				34,243
Unallocated corporate expenses				(82,196)
Unallocated gains and losses				(34,612)
Share of results of associates				4,357
Share of results of joint ventures				134
Finance costs				<u>(53,409)</u>
Loss before taxation				<u><u>(170,923)</u></u>

**For the year ended 31 December 2023**

	Revenue			Segment results HK\$'000
	External sales HK\$'000	Inter-segment sales HK\$'000	Total HK\$'000	
Hi-Tech Manufacturing Business				
Plastic products	1,412,413	22,708	1,435,121	37,196
Liquid crystal display	716,845	–	716,845	63,498
Printed circuit boards	872,700	–	872,700	22,438
Intelligent chargers	216,605	5,972	222,577	(17,876)
Intelligent power modules	6,432	–	6,432	(39,690)
Industrial property investment	9,658	24,373	34,031	(7,793)
	<u>3,234,653</u>	<u>53,053</u>	<u>3,287,706</u>	<u>57,773</u>
Aerospace Service				
Property investment in S&T Plaza	<u>206,745</u>	<u>69</u>	<u>206,814</u>	<u>(5,304)</u>
Reportable segments total	3,441,398	53,122	3,494,520	52,469
Elimination	–	(53,122)	(53,122)	–
Other Business	<u>9,556</u>	<u>–</u>	<u>9,556</u>	<u>4,580</u>
	<u>3,450,954</u>	<u>–</u>	<u>3,450,954</u>	<u>57,049</u>
Unallocated corporate income				37,695
Unallocated corporate expenses				(73,411)
Unallocated gains and losses				11,649
Reversal of impairment loss under ECL model, net — other receivables				7,041
Share of results of associates				(3,573)
Share of results of joint ventures				(2,191)
Finance costs				<u>(60,818)</u>
Loss before taxation				<u>(26,559)</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned by/loss from each segment without allocation of share of results of associates, share of results of joint ventures, finance costs, certain reversal of impairment loss under ECL model (net), unallocated gains and losses (including unallocated exchange gains (losses), change in fair value of financial assets at fair value through profit or loss and loss on deregistration of a joint venture), unallocated corporate income (including interest income and other unallocated income) and unallocated corporate expenses. This was the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at cost-plus basis.



#### 4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2024 HK\$'000	2023 HK\$'000
The Group's other income mainly comprises:		
Interest income	30,445	37,418
Sales of scrap materials	31,029	23,408
Government subsidies	<u>15,147</u>	<u>5,578</u>

The Group's other gains and losses mainly comprise:

Loss on deregistration of a joint venture	(13,712)	–
Net exchange gain (loss)	11,226	(200)
Net loss from change in fair value of financial assets at FVTPL	(15,699)	(4,952)
Net gain (loss) on disposal/written off of property, plant and equipment	576	(401)
Reversal of provision for litigation ( <i>Note</i> )	<u>–</u>	<u>22,962</u>

*Note:*

During the year ended 31 December 2023, the legal disputes with a third party in relation to the minority interest of subsidiaries were settled and the provision made in prior years is reversed upon settlement (2024: Nil).

#### 5. LOSS BEFORE TAXATION

	2024 HK\$'000	2023 HK\$'000
Loss before taxation has been arrived at after crediting:		
Auditors' remuneration		
— Audit services	2,988	3,998
— Non-audit services	788	1,485
Cost of inventories charged to profit or loss including allowance for obsolete inventories of HK\$1,365,000 (2023: HK\$15,171,000)	2,996,740	2,706,783
Depreciation of property, plant and equipment ( <i>note</i> )	211,113	222,908
Depreciation of right-of-use assets ( <i>note</i> )	40,894	42,941
Staff costs, including directors' remuneration ( <i>note</i> )	<u>839,757</u>	<u>818,854</u>
Gross rental income from investment properties	(182,182)	(176,834)
Less: Direct operating expenses for investment properties that generated rental income during the year	<u>9,086</u>	<u>8,171</u>
	<u>(173,096)</u>	<u>(168,663)</u>

*Note:* Staff costs, and depreciation of property, plant and equipment and right-of-use assets disclosed above included amounts capitalised in inventories.

## 6. TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The tax charge (credit) for the year comprises:		
Current tax:		
Hong Kong Profits Tax	1,779	2,488
Mainland China Enterprise Income Tax ("EIT")	<u>21,269</u>	<u>16,893</u>
	<u>23,048</u>	<u>19,381</u>
Overprovision in prior years:		
Hong Kong Profits Tax	(143)	(24)
Mainland China EIT	<u>(55,972)</u>	<u>–</u>
	<u>(56,115)</u>	<u>(24)</u>
Deferred tax credit	<u>(54,003)</u>	<u>(44,151)</u>
	<u><u>(87,070)</u></u>	<u><u>(24,794)</u></u>

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiaries is 25%. Four subsidiaries (2023: three subsidiaries) of the Company operating in the Mainland China are eligible as High and New Technology Enterprise and the income tax rate of these subsidiaries is 15%.

The overprovision in prior years mainly represents a refund of Mainland China EIT on the rental income, damages, compensation and litigation fees in relation to the leases with two major tenants of S&T Plaza in prior years.

## 7. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>(Loss) earnings</b>		
(Loss) profit for the year attributable to owners of the Company		
for the purpose of basic and diluted (loss) earnings per share	<u>(53,307)</u>	<u>4,047</u>
	2024 <i>Number of shares</i>	2023 <i>Number of shares</i>
<b>Number of shares</b>		
Number of ordinary shares for the purpose of basic		
and diluted (loss) earnings per share	<u>3,085,022,000</u>	<u>3,085,022,000</u>

The computation of diluted (loss) earnings per share did not assume the conversion of the outstanding convertible loan notes issued by an associate since their exercise would result in decrease in loss per share for 2024 and increase in earnings per share for 2023.

## 8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2023 final dividend of Nil (2023: 2022 final dividend		
of HK2 cents) per ordinary share	<u>–</u>	<u>61,700</u>

The board of the Company recommends not paying a final dividend in respect of the years ended 31 December 2024 and 2023.

## 9. TRADE AND OTHER RECEIVABLES

As at 31 December 2024, the Group's total trade and other receivables comprised of trade receivables arising from contracts with customers of HK\$1,021,154,000, net of allowance for credit losses of HK\$75,714,000 (2023: HK\$899,827,000, net of allowance for credit losses of HK\$57,374,000), lease receivables of HK\$30,249,000, net of allowance for credit losses of HK\$52,097,000 (2023: HK\$26,050,000, net of allowance for credit losses of HK\$279,845,000) and other receivables, deposits and prepayments of HK\$173,701,000, net of allowance for credit losses of HK\$46,803,000 (2023: HK\$139,527,000, net of allowance for credit losses of HK\$48,590,000), respectively.

The Group allows an average credit period of 30 to 120 days to its trade customers. No credit period was granted to tenants of rental of premises. Receivables are unsecured and interest-free.

The following is an aged analysis of trade receivables arising from contracts with customers, net of allowance for credit losses, presented based on invoice date at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Within 90 days	912,575	777,853
Between 91–180 days	90,035	105,778
Between 181–365 days	18,544	16,196
	<u>1,021,154</u>	<u>899,827</u>

The following are the aged analysis of billed lease receivables, net of allowance for credit losses, presented based on invoice date which are also past due balances at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Within 90 days	<u>5,395</u>	<u>3,275</u>

## 10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables based on invoice date at the end of the reporting period:

	2024 HK\$'000	2023 HK\$'000
Within 90 days	619,928	484,558
Between 91–180 days	18,942	22,685
	<u>638,870</u>	<u>507,243</u>

## **CHAIRMAN’S STATEMENT**

### **RESULTS**

In 2024, the operating revenue of the Company and its subsidiaries increased by 11.32% to HK\$3,841,472,000 as compared to 2023. The net loss for the year was HK\$83,853,000, representing an increase in loss compared to the net loss of HK\$1,765,000 in 2023. The loss attributable to owners of the Company this year was HK\$53,307,000, compared to the profit attributable to owners of the Company of HK\$4,047,000 in 2023. The basic loss per share attributable to owners of the Company this year was HK1.73 cents (2023: basic earnings per share of HK0.13 cents).

Taking into account the Company’s development needs and capital position, the Board resolved not to recommend the payment of a final dividend for 2024 (2023 final dividend: nil).

### **BUSINESS REVIEW**

The Board continues to closely monitor the operational development of the Company’s various businesses. In 2024, the Board organized visits to Vietnam and Nantong, allowing Directors to gain an in-depth understanding of the Company’s business progress in these two locations. At the same time, the Board proactively kept abreast of the progress in other businesses and major litigations, as well as the overall operations of the Company, providing strong decision-making support for key initiatives.

Reviewing 2024, the geopolitical landscape continued to change, with the rise of trade protectionism and major economies tilted towards protectionism policies. This forced the relocation of supply chains and production lines, creating significant uncertainties to the global economy. At the same time, market demand remained weak and internal industry competition intensified. Coupled with multiple factors such as fluctuations in raw material price and disruptions in sales channels, product profit margins were continuously compressed. Facing market uncertainties, the Board and management worked together to lead industrial enterprises to continue their efforts in an ever-changing environment, thoroughly researched market demands and trends, actively expanded domestic and international markets, and focused on stabilizing existing businesses while exploring new opportunities to cope with fierce industry competition. Meanwhile, each industrial enterprise continuously optimized their business, market, and product structures based on market and order demands, and improved quality and reduced costs through scientific research collaboration with the Intelligent Research Institute. During the year, the hi-tech manufacturing business achieved satisfactory results, with a significant increase in both revenue and operating profit.

In 2024, Shenzhen Aerospace Technology Investment Company Limited\* (深圳市航天高科技投資管理有限公司) (“Aerospace Technology”) continuously optimized its leasing strategy and actively expanded the influence of the Aerospace brand while attracting high-quality clients. Despite the challenge posed by continuous increase in office space supply in Shenzhen, the occupancy rate still improved. Additionally, regarding the litigations initiated by Aerospace Technology to recover rent arrears from Shenzhen Hangke Houhai Investment Development Company Limited\* (深圳市航科后海投資發展有限公司) (“Hangke Houhai”) and Shenzhen Huabaorun Management Limited\* (深圳市華保潤商業管理有限公司) (“Huabaorun”), final judgments have been gradually received and submitted to the court for enforcement. The Board continues to closely monitor the progress of various litigations and their enforcement.

As for the three new capability development projects, namely the new capacity construction of Nantong Hong Yuen Circuit Technology Co., Limited\* (南通康源電路科技有限公司) (“Nantong Hong Yuen”), the industrialization development of intelligent power modules (IPM), and the Plants Construction Project Phase 5 of Huizhou Industrial Garden, are progressing in an orderly manner. The civil construction for the integrated circuit packaging substrates plant of Nantong Hong Yuen was completed by the end of May 2024 and has successfully entered the trial production phase. The intelligent power modules (IPM) has focused on securing product clients, continuously improving product development and technological R&D capabilities to enhance customer confidence, with expectations of gradually ramping up production capacity. The Plants Construction Project Phase 5 of Huizhou Industrial Garden has been completed and put into operation, meeting the production expansion needs of the Company’s subsidiaries and contributing to the enhancement of the overall capabilities of the Company.

During the year, the Company continued to invest in the technological transformation of industrial enterprises, actively driving technological innovation and strengthening the development of research and innovation systems. The processes of various industrial enterprises were continuously optimized and upgraded, and several invention patents were obtained. The Company also continued to invest in capacity building for the 5G millimeter-wave filter project, achieving optimization in the analysis and control of electroplating solution composition. Additionally, the construction of testing capabilities for high out-of-band suppression filters and W-band filters was completed, taking another step towards industrialization.

The Company continues to enhance internal control efficiency by advancing information technology initiatives, improving compliance management, and implementing energy conservation and environmental protection measures. The Company will further optimize resource allocation and improve management effectiveness.

## **PROSPECTS**

2025 marks the final year of the 14th Five-Year Plan. I will continue to adhere to the guiding principle of “innovative development of industrial enterprises, coordinated development of modern service industry enterprises, and strategic synergy of new technology investment enterprises”. With full dedication, I will lead the Board and management team to drive steady progress in the Company’s business performance.

Faced with shifting market dynamics, the external business environment is expected to remain severe and complex. With uncertainties in the global economy, the Board and the management will jointly formulate the Company’s next five-year development plan. Through systematic restructuring, we will promote business transformation and upgrading, as well as product renewals, while exploring new economic growth points to further enhance the Company’s core competitiveness and sustainable development capabilities, creating value for shareholders.

I will continue to lead all employees in unity, moving forward with unwavering confidence and determination, striving to achieve high-quality development for the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS PERFORMANCE**

The revenue of the Company and the subsidiaries for the year ended 31 December 2024 was HK\$3,841,472,000, representing an increase of 11.32% as compared with that of HK\$3,450,954,000 in 2023. The net loss for the year was HK\$83,853,000, representing an increase in loss compared to the net loss of HK\$1,765,000 in 2023.

### **LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY**

Loss attributable to owners of the Company was HK\$53,307,000, representing a significant change compared to the profit attributable to owners of the Company of HK\$4,047,000 in 2023.

During the year, as a result of the continued downturn in the property market, the valuation of investment properties declined, resulting in a loss of HK\$299,754,000 arising from the change in fair value of investment properties, which contributed to the expansion of the overall loss.

Based on the issued share capital of 3,085,022,000 shares during the year, the basic loss per share was HK1.73 cents, representing a significant change as compared to the basic earnings per share of HK0.13 cents in 2023.

## **DIVIDENDS**

Taking into account the Company's development needs and capital position, the Board resolved not to recommend the payment of a final dividend for 2024 (2023 final dividend: nil).

During the year, the Board resolved not to declare an interim dividend for 2024 (2023 interim dividend: nil).

## **RESULTS OF CORE BUSINESSES**

The Company and the subsidiaries are principally engaged in the research and development, design, professional production, sales and services of the hi-tech manufacturing business such as plastic products, electronic products, power products and semiconductor products, as well as the property management business of Shenzhen Aerospace Science & Technology Plaza.

The Company promotes various businesses in accordance with the outline of the five-year plan, focuses on the development of advanced manufacturing, modern services industries and high-tech industries, fully utilizing the resources from both overseas and China markets, and comprehensively deepening reform to achieve high-quality development of the Company.

The hi-tech manufacturing business is the major cornerstone of the Company's revenue and the principal source of the Company's profit and cash flow, while the property management business of Shenzhen Aerospace Science & Technology Plaza also generates rental and management fee income for the Company. The Company will continue to identify and develop new business opportunities, and thereby creating value for shareholders.



## Hi-tech Manufacturing

The revenue of the hi-tech manufacturing business for the year ended 31 December 2024 was HK\$3,618,576,000, representing an increase of 11.87% as compared with last year. The operating profit was HK\$91,411,000, representing an increase of 58.22% as compared with last year. The results of the hi-tech manufacturing business are set out below:

	Turnover (HK\$'000)			Operating Profit (HK\$'000)		
	2024	2023	Changes (%)	2024	2023	Changes (%)
Plastic Products	1,659,515	1,412,413	17.50	67,862	37,196	82.44
Printed Circuit Boards	994,959	872,700	14.01	39,882	22,438	77.74
Intelligent Chargers	285,266	216,605	31.70	178	(17,876)	Turnaround from loss
Liquid Crystal Display	650,887	716,845	(9.20)	42,364	63,498	(33.28)
Intelligent Power Modules	17,424	6,432	170.90	(30,912)	(39,690)	(22.12)
Industrial Property Investment	10,525	9,658	8.98	(27,963)	(7,793)	258.82
<b>Total</b>	<b>3,618,576</b>	<b>3,234,653</b>	<b>11.87</b>	<b>91,411</b>	<b>57,773</b>	<b>58.22</b>

In 2024, the global economy continued to recover, but with weakening momentum. Amid persistently declining prices, intense market competition, and declining profit margins, industrial enterprises were actively diversifying their strategies to improve quality and efficiency. As a results, overall revenue and profit achieved steady growth. Among these, the businesses of plastic products and printed circuit boards (PCB) delivered outstanding performance, with both recording a near double in profits, driving the strong overall performance in the hi-tech manufacturing segment.

The plastic products business actively expanded into domestic and overseas markets. While consolidating its existing customer base, it successfully introduced several new overseas customers, leading to steady growth in overseas operations. Notably, the revenue from Chee Yuen in Vietnam recorded strong growth, with its operational conditions gradually improving and production value continuing to rise, contributing to a substantial increase in the overall operating profit of the plastics products business. The printed circuit boards (PCB) business implemented an integrated approach to research, production and sales to promote high-quality development. During the year, the overall sales of the printed circuit boards (PCB) business increased, with a revenue growth of approximately 14.01% compared to last year, mainly driven by strong performance in the optoelectronic module and domestic substrates businesses and increased exchange gains, collectively contributed to a significantly 77.74% operating profit growth compared to last year. Meanwhile, the intelligent chargers business achieved a breakthrough in

expanding its new customer base, offsetting the impact of reduction in sales orders from major clients. At the same time, the overall gross profit improved, achieving a turnaround from losses. The liquid crystal display business faced weak and persistently sluggish market demand, and ongoing destocking and significant sales order reduction by major customer groups. During the year, a major customer filed an arbitration application over a product quality dispute (for details, please refer to the announcement of the Company dated 17 December 2024). CASIL Semiconductor Limited (“CASIL Semiconductor”) has already filed a counterclaim to protect its own interests. The arbitration proceeding is currently ongoing. Coupled with intense supply competition, revenue and profits sharply declined. Meanwhile, the intelligent power modules (IPM) business continued to increase investment in product development and technological research, improving product quality to support realization of profit in the future. The revenue from industrial property investments increased by 8.98% compared to last year. Among these, the Plant Construction Project Phase 5 of Huizhou Industrial Garden has been completed and put into operation, supplementing the production facilities of the Company and its subsidiaries. However, a loss of HK\$22,722,000 was recorded due to the change in fair value of the investment properties, resulting in an increase in loss for the year.

On 23 January 2024, Nantong Hong Yuen entered into the Factory Fitting-out Work Contract with the IT Electronics Eleventh Design & Research Institute Scientific and Technological Engineering Corporation Limited (“EDRI”) in relation to the Plants Construction Project Phase I, pursuant to which, EDRI will provide certain secondary mechanical and electrical engineering and fitting-out work services to Nantong Hong Yuen at a consideration of RMB83,984,000.05 (equivalent to approximately HK\$92,344,000). For details, please refer to the announcement of the Company dated 23 January 2024. The construction of the Plant Phase I of Nantong Hong Yuen has completed the civil engineering work at the end of May 2024. The civil engineering and renovation works for the project have also entered the acceptance and trial stage. The introduction of process equipment has been basically completed, with key process equipment being installed and debugged gradually.

In addition, the Intelligent Research Institute continues to assist various industrial enterprises in the R&D of high-tech products, upgrading manufacturing capabilities, and actively researching automation systems to promote the intelligent upgrade and transformation of factories. During the year, the Institute participated in the 5th Shaoxing Integrated Circuit Industry Conference to explore future industry development trends, and signed a memorandum of cooperation with the People’s Government of Yuecheng District, Shaoxing City, expecting to promote the industrialization development of 5G millimeter-wave filter jointly.

Looking ahead to 2025, the business environment remains difficult. All hi-tech manufacturing businesses will actively expand its customer base, explore the possibilities of developing new business and enhance risk management, continue to optimize the yield rate, improve quality while reducing costs. At the same time, efforts will be made to increase the level of production automation, expand production scale and capacity in a timely manner, focus on energy conservation and emission reduction, strictly control energy consumption, recruit professional talents, continue technological transformation and research and development, take innovation as the primary driving force, optimize the industrial structure to adapt to the ever-changing market environment, expecting to expand profitability.

### **Shenzhen Aerospace Science & Technology Plaza**

In 2024, Aerospace Technology and its wholly-owned subsidiary, Shenzhen Aerospace Technology Property Management Company Limited (“Aerospace Property Management”), which is responsible for the property management of Shenzhen Aerospace Science & Technology Plaza, recorded a total revenue of HK\$213,746,000 (2023: HK\$206,745,000) and a segment loss of HK\$132,099,000 (2023: segment loss of HK\$5,304,000). The segment loss was mainly attributable to the decrease in property valuation.

As at 31 December 2024, the valuation of Shenzhen Aerospace Science & Technology Plaza was approximately RMB7,540,000,000 (2023: RMB7,784,000,000).

As at 31 December 2024, the occupancy rates of Shenzhen Aerospace Science & Technology Plaza were approximately 65.59% (31 December 2023: 72.90%) for the commercial portion and 47.50% (31 December 2023: 41.00%) for the office portion, respectively.

In 2024, the respective litigations of Aerospace Technology with Hangke Houhai and Huabaorun have been heard separately. Except for the Sixth Hangke Houhai Litigation, which is still awaiting a final judgment, final judgments for all other litigations have been received. In respect of the claims between Aerospace Technology and Hangke Houhai, the Second-instance Judgments have become effective in offsetting the credit liabilities of both parties, and the claims in the First, Second, Third, and Fourth Hangke Houhai Litigations could be settled at a net basis. It is estimated that Hangke Houhai will be required to pay approximately RMB22,000,000 to Aerospace Technology (calculated as of 4 September 2024, and subject to execution conditions). For the Fifth Hangke Houhai Litigation (Aerospace Technology’s claim against Jindian Industrial, a shareholder of Hangke Houhai, in relation to the joint and several liability under the guarantee contract), it is expected Jindian Industrial will be liable for joint and several liabilities of up to approximately RMB11,000,000. In respect of the litigations of Aerospace Technology and its subsidiary, Aerospace Property Management between Huabaorun respectively, it is estimated that Huabaorun will be required to pay an

aggregate amount of approximately RMB68,600,000 to Aerospace Technology and Aerospace Property Management (calculated as of 19 November 2024, and subject to execution conditions). For details, please refer to the announcements of the Company dated 12 May 2022, 14 June 2022, 5 July 2022, 30 September 2022, 7 November 2022, 14 February 2023, 24 March 2023, 11 July 2023, 14 July 2023, 25 August 2023, 14 September 2023, 18 March 2024, 26 March 2024, 7 June 2024, 27 August 2024, 4 September 2024, 21 October 2024 and 20 November 2024, respectively.

In relation to various litigations, Aerospace Technology has proactively advocated and defended its rights in accordance with applicable laws. It has frozen and preserved the assets of Hangke Houhai, Huabaorun, and Jindian Industrial during the litigations, and has filed a petition to the court for enforcement of the final judgments of the litigations. As of 31 December 2024, neither Hangke Houhai nor Huabaorun has made the required payments to Aerospace Technology in accordance with the court's final judgments. Aerospace Technology will make every effort to advance the enforcement process within the legal framework.

In 2025, Aerospace Technology will continue to carry out self-managed operation, expand its tenant base and introduce large-scale enterprises to settle in. Considering the current leasing situation for offices space in Shenzhen, the property market is expected to face ongoing challenges.

## Other Business

RAYITEK Hi-Tech Film Company Ltd., Shenzhen (深圳瑞華泰薄膜科技股份有限公司) (“Rayitek”), an associate company in which the Company indirectly holds 23.38% interest through its direct wholly-owned subsidiary, CASIL New Century Technology Development (Shenzhen) Company Limited\* (航科新世紀科技發展(深圳)有限公司) (“CASIL New Century”), did not declare dividend during the year (2023: RMB0.7 per 10 shares, dividends totaling approximately RMB2,945,800 were distributed to the Company).

## ASSETS

<i>(HK\$'000)</i>	<b>31 December 2024</b>	31 December 2023	Changes (%)
Non-Current Assets	<b>10,953,891</b>	11,319,869	(3.23)
Current Assets	<b>3,327,423</b>	3,263,415	1.96
Total Assets	<b>14,281,314</b>	14,583,284	(2.07)

The decrease in non-current assets was mainly due to the decrease in valuation of investment properties, as well as the decrease in Hong Kong dollar equivalent arising from the conversion of assets denominated in RMB at the balance sheet date, while the increase in current assets was primarily due to the increase in inventories and receivables.

As at the end of this year, the equity attributable to owners of the Company was HK\$7,154,386,000, representing a decrease of 3.47% as compared with that of HK\$7,411,477,000 as at the year end of 2023.

The equity attributable to owners of the Company decreased as compared to the end of last year was primarily due to the loss for the year and the decrease in exchange reserves caused by the depreciation of the RMB exchange rate. Based on the issued share capital of 3,085,022,000 shares during the year, the net assets per share attributable to owners of the Company was HK\$2.32.

As at 31 December 2024, a cash deposit of HK\$39,110,000 and bills receivable of HK\$82,489,000 of the Company and the subsidiaries had been pledged to banks to obtain credit facilities. Property right certificates at an approximate value of RMB1,900,000,000 and RMB170,000,000 of Shenzhen Aerospace Science & Technology Plaza were mortgaged by Aerospace Technology to Aerospace Science & Technology Finance Company Limited\* (航天科技財務有限責任公司) and bank respectively so as to obtain a 12-year term loan facility in the amount of RMB1,300,000,000 and a 10-year bank loan in the amount of RMB100,000,000.

## LIABILITIES

<i>(HK\$'000)</i>	<b>31 December 2024</b>	31 December 2023	Changes (%)
Non-Current Liabilities	<b>3,515,843</b>	3,684,676	(4.58)
Current Liabilities	<b>1,649,182</b>	1,427,648	15.52
Total Liabilities	<b>5,165,025</b>	5,112,324	1.03

The decrease in non-current liabilities was mainly due to the partial repayment of certain related party loans, the reduction of deferred tax, and the decrease in the conversion of liabilities denominated in Renminbi into Hong Kong dollar equivalent at the balance sheet date during the year, whereas the increase in current liabilities was mainly due to the increase in trade payables and short term bank loans.

As at 31 December 2024, the Company and the subsidiaries had bank borrowings and other borrowings amounting to HK\$349,825,000 and HK\$1,163,656,000, respectively.

## OPERATING EXPENSES

The administrative expenses of the Company and the subsidiaries in 2024 were HK\$401,471,000, representing an increase of 1.64% as compared to last year, mainly due to an increase in labour costs and depreciation and amortization expenses. The finance costs amounted to HK\$53,409,000, representing a decrease of 12.18% as compared to last year, mainly due to decrease in borrowing rates.

## CONTINGENT LIABILITIES

As at 31 December 2024, the Company and the subsidiaries did not have any material contingent liabilities.

## FINANCIAL RATIOS

	2024	2023
Gross Profit Margin	21.03%	20.31%
Return on Net Assets	(0.92%)	(0.02%)
	31 December 2024	31 December 2023
Assets-Liabilities Ratio	36.17%	35.06%
Current Ratio	2.02	2.29
Quick Ratio	1.66	1.95

## **LIQUIDITY**

The source of funds of the Company and the subsidiaries mainly relies on internal resources and banking and financial institution facilities. As at 31 December 2024, the cash and cash equivalents bank balance and short-term bank deposits amounted to HK\$1,497,130,000, the majority of which were in Hong Kong Dollars and Renminbi.

## **CAPITAL EXPENDITURE**

As at 31 December 2024, the capital commitments of the Company and the relevant subsidiaries contracted for but not provided in the consolidated financial statements was approximately HK\$437,360,000, mainly the capital expenditure for the acquisition of fixed assets.

## **FINANCIAL RISKS**

The Company and the subsidiaries review the cash flow and financial position periodically and do not presently engage into any financial instruments or derivatives to hedge the exchange and the interest rate risks.

## **HUMAN RESOURCES AND REMUNERATION POLICIES**

The remuneration policy of the Company and the subsidiaries is based on the employee's qualifications, experience and performance on the job, with reference to the current market situation. The Company and the subsidiaries will continue to upgrade the human resources management skills and strictly implement the performance-based appraisal system, in order to motivate employees to make continuous improvement in their individual performance and contributions to the Company.

As at 31 December 2024, the Company and the subsidiaries had a total of 7,009 employees based in the mainland China, Hong Kong and Vietnam.

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

There had been no purchase, sale or redemption of the Company's listed securities by the Company and its subsidiaries during the year.

## **CORPORATE GOVERNANCE**

Throughout the year of 2024, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.



## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES**

The Company had adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix C3 to the Listing Rules and the Company's *The Code and Enforcement Details for Securities Transactions by Directors* as the required standard for the Directors of the Company to trade the securities of the Company. Having made specific enquiry to all the Directors of the Company and in accordance with information provided, all the Directors have complied with the required standard in 2024.

As at 31 December 2024, none of the directors, chief executives or their associates have any beneficial or non-beneficial interests or short positions in the share capital, warrants and options of the Company or its subsidiaries or any of its associated corporations which is required to be recorded in the Register of Directors' Interests pursuant to Part XV of the Securities & Futures Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the *Model Code for Securities Transactions by Directors of Listed Issuers*.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee of the Company comprises two Independent Non-Executive Directors, including Mr Luo Zhenbang (Chairman) and Ms Chen Jingru and a Non-Executive Director, Mr Peng Jianguo. The major functions of the Audit Committee include serving as a focal point for communication between the Directors and external auditors, reviewing the Company's financial information as well as overseeing the Company's financial reporting system, risk management and internal control procedures.

The Audit Committee of the Company has reviewed, discussed and approved the audited results and financial statements of the Company for the year ended 31 December 2024.

## **DIVIDENDS**

Taking into account the Company's development needs and capital situation, the Board resolved not to recommend the payment of a final dividend for the year ended 31 December 2024 (2023 final dividend: nil).



## **STATEMENT OF COMPLIANCE**

The financial information relating to the years ended 31 December 2023 and 2024 included in the Announcement does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Hong Kong Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 to the Hong Kong Registrar of Companies in due course. The Company's auditor has reported on the financial statements of the Company and the subsidiaries for both years ended 31 December 2023 and 2024. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on Friday, 27 June 2025. Notice of which will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company and dispatched to the shareholders of the Company who requested printed copies in such manner as required under the Listing Rules.

## **CLOSURE OF REGISTER OF MEMBERS**

To ensure shareholders the right to attend and vote at the Annual General Meeting, the register of members of the Company will be closed and details of which are as follows:

Latest time for lodging transfers of shares and related documents for registration	: 4:30 p.m. on Monday, 23 June 2025
Closure of register of members	: from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both days inclusive)
Record date	: Friday, 27 June 2025

The register of members of the Company will be closed at the abovementioned period. To ensure Shareholders the right to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration on or before 4:30 p.m. on Monday, 23 June 2025.

## **POST PERIOD EVENTS**

Continuing disclosure under rule 13.21 of the Listing Rules:

On 16 January 2025, Nantong Hong Yuen Circuit Technology Company Limited\* (“Nantong Hong Yuen”) (南通康源电路科技有限公司), an indirectly wholly-owned subsidiary of the Company, entered into a Renminbi syndicated loan agreement (the “Loan Agreement”) as borrower with China Development Bank, Jiangsu Province branch, China Merchants Bank Company Limited, Nantong branch, and The Export-Import Bank of China, Jiangsu Province branch (collectively the “Lenders”), for a loan amount of RMB1 billion with a term of 8 years (the “Loan”), which will be drawn down by Nantong Hong Yuen in phases as and when required. Dong Guan Hong Yuen Electronics Co., Limited (“Dong Guan Hong Yuen”), an indirectly wholly-owned subsidiary of the Company, has entered into a syndicated loan guarantee agreement as guarantor with the Lenders in respect of the Loan under the Loan Agreement to provide a joint liability guarantees for repayment obligations. Pursuant to the terms of the Loan Agreement, in the event that China Aerospace Science and Technology Corporation, the controlling shareholder of the Company, ceases to have control over Nantong Hong Yuen or Dong Guan Hong Yuen, shall constitute an event of default. Please refer to the announcement of the Company dated 17 January 2025 for details.

## **PUBLICATION OF ANNUAL REPORT**

The annual report of the Company will be published on the website of the Company ([www.casil-group.com](http://www.casil-group.com)) and the HKExnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and dispatched to the shareholders of the Company who requested printed copies in due course.

## APPRECIATION

Mr Wang Xiaojun resigned as an Independent Non-Executive Director of the Company on 26 March 2024 due to his intention to devote more time on his own business, with Ms Xue Lan assuming his responsibilities; Mr Zhou Limin resigned as the Chairman and Executive Director of the Company on 23 July 2024 due to his re-designation as the Chief Specialist of the Company; Mr Hua Chongzhi resigned as a Non-Executive Director of the Company on 14 February 2025 due to retirement, with Mr Liu Yong assuming his responsibilities. On behalf of the Board, I would like to express my sincere respect and gratitude to Mr Zhou Limin, Mr Wang Xiaojun and Mr Hua Chongzhi for their contributions to the Company during their tenure, and warmly welcome Ms Xue Lan and Mr Liu Yong to join the Board of the Company.

On behalf of the Board, I express my profound gratitude to all employees for their dedication and loyal service. I also extend my sincere thanks to our shareholders, bankers, business partners, and members of the community for their unwavering support in the Company's development.

By order of the Board

**Wang Hui**

*Chairman & Executive Director*

Hong Kong, 27 March 2025

*As at the date of this announcement, the Board of Directors of the Company comprises:*

<b><i>Executive Directors</i></b>	<b><i>Non-Executive Directors</i></b>	<b><i>Independent Non-Executive Directors</i></b>
Mr Wang Hui ( <i>Chairman</i> )	Mr Teng Fangqian	Mr Luo Zhenbang
Mr Song Shuqing ( <i>President</i> )	Mr Peng Jianguo	Ms Chen Jingru
	Mr Liu Yong	Ms Xue Lan

\* *These PRC entities do not have English names, the English names set out herein are for identification purpose only.*