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TRIO INDUSTRIAL ELECTRONICS GROUP LIMITED

致豐工業電子集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1710)

**(1) ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024;
(2) RESIGNATION OF CHIEF EXECUTIVE OFFICER;
AND
(3) PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME
AND ADOPTION OF NEW SHARE OPTION SCHEME**

The board (the “**Board**”) of directors (the “**Directors**”) of Trio Industrial Electronics Group Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”), together with comparative figures for the year ended 31 December 2023 (“**FY2023**”) as follows:

FINANCIAL HIGHLIGHTS:

- The results of the Group have turned around from the loss attributable to owners of the Company of approximately HK\$25.9 million for the six months ended 30 June 2024 to a profit attributable to owners of the Company of approximately HK\$8.6 million for FY2024, indicating a strong business performance in the second half of 2024.
- Revenue for FY2024 decreased by approximately 13.2% to approximately HK\$1,007.5 million as compared with FY2023.
- Gross profit for FY2024 decreased by approximately 18.4% to approximately HK\$187.5 million, and gross profit margin decreased by 1.2 percentage points to 18.6% as compared with FY2023.
- The Group reported a profit before income tax of approximately HK\$7.3 million in FY2024 as compared with a profit before income tax of approximately HK\$57.4 million in FY2023.
- Profit attributable to owners of the Company for FY2024 was approximately HK\$8.6 million, as compared with a profit of approximately HK\$47.1 million in FY2023.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The following table sets forth our consolidated statement of comprehensive income for the years indicated:

		Year ended 31 December	
	Note	2024 HK\$'000	2023 HK\$'000 (Restated, note 17)
Revenue	5	1,007,545	1,160,211
Cost of sales	6	(820,060)	(930,421)
Gross profit		187,485	229,790
Other income	5	4,395	4,596
Selling and distribution expenses	6	(20,129)	(18,626)
Administrative expenses	6	(165,195)	(150,172)
Other operating income, net	7	6,834	1,694
Profit from operations		13,390	67,282
Finance income	8	4,989	1,331
Finance expenses	8	(11,032)	(11,168)
Profit before income tax		7,347	57,445
Income tax credit/(expense)	9	1,211	(10,296)
Profit for the year attributable to owners of the Company		8,558	47,149
Other comprehensive expense, net of tax <i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value (losses)/gains on revaluation of land and building, net of tax		(2,123)	946
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		254	(1,337)
Other comprehensive expense for the year, net of tax		(1,869)	(391)
Total comprehensive income for the year attributable to owners of the Company		6,689	46,758
Earnings per share			
– Basic and diluted (HK cents)	10	0.86	4.71

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets forth our consolidated statement of financial position as at the dates indicated:

		As at 31 December	
		2024	2023
	Note	HK\$'000	HK\$'000
			(Restated, note 17)
Assets			
Non-current assets			
Property, plant and equipment		89,749	76,006
Right-of-use assets		140,763	100,467
Prepayments and deposits		6,276	1,581
Financial assets at fair value through profit or loss		1,942	1,870
Intangible assets		1,465	–
Deferred tax assets		3,414	–
		<u>243,609</u>	<u>179,924</u>
		-----	-----
Current assets			
Inventories		139,754	205,612
Trade and other receivables	12	255,810	202,564
Prepayments and deposits		14,681	15,241
Tax recoverable		5,410	204
Financial assets at fair value through profit or loss		1,890	1,733
Restricted bank deposits		15,392	16,543
Cash and cash equivalents		141,144	60,949
		<u>574,081</u>	<u>502,846</u>
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Current liabilities			
Trade and other payables	13	194,434	123,498
Contract liabilities	14	20,534	16,865
Borrowings	15	21,250	20,657
Lease liabilities		10,915	7,116
Current income tax liabilities		9,734	4,730
		<u>256,867</u>	<u>172,866</u>
		-----	-----
Net current assets		<u>317,214</u>	<u>329,980</u>
		-----	-----
Total assets less current liabilities		<u>560,823</u>	<u>509,904</u>
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	<i>Note</i>	As at 31 December	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>(Restated, note 17)</i>
Non-current liabilities			
Lease liabilities		140,063	95,633
Deferred tax liabilities		3,223	3,536
		<u>143,286</u>	<u>99,169</u>
Net assets		<u>417,537</u>	<u>410,735</u>
Equity			
Share capital	<i>16</i>	281,507	281,507
Reserves		136,030	129,228
Total equity		<u>417,537</u>	<u>410,735</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Trio Industrial Electronics Group Limited (the “**Company**”) is a limited liability company incorporated in Hong Kong and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The principal place of business and registered office of the Company is at Block J, 5/F., Phase II, Kaiser Estate, 51 Man Yue Street, Hunghom, Kowloon, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in the manufacturing and sales of electronic products. The immediate holding company of the Company is Trio Industrial Electronics Holding Limited, a company incorporated in the British Virgin Islands with limited liability.

The consolidated financial statements are presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement does not constitute the statutory annual consolidated financial statements of the Group 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 Hong Kong Companies Ordinance (Chapter 622, the Laws of Hong Kong) (the “**Companies Ordinance**”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies in Hong Kong as required by section 662(3) of, and Part 3 of Schedule 6 to the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2024 in due course.

The Company’s auditor has reported on the consolidated financial statements for both years. 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.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and requirements of the Companies Ordinance. HKFRSs comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by HKICPA.

The consolidated financial statements also 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 convention, as modified by the revaluation of land and buildings, and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group’s accounting policies.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards adopted by the Group

The Group has applied the following new amendments for its annual reporting period commencing 1 January 2024.

HKAS 1 (Amendment)	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS 16 (Amendment)	Lease Liability in Sale and Leaseback
HKAS 7 and HKFRS 7 (Amendment)	Supplier Finance Arrangements

The adoptions listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New and amended standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretation have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods, except for the following:

HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

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 disclosure 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 consolidated financial statements. The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

4 SEGMENT INFORMATION

Operating segments are determined based on the information reviewed by the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board.

Operating segments are reported in the manner consistent with the internal reporting provided to the CODM. The Group is subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole. The Board considers the performance assessment of the Group should be based on the profit before income tax of the Group as a whole and regards the Group as a single operating segment and reviews internal reporting accordingly. Therefore, the Board considers there to be only one operating segment under the requirements of HKFRS 8 “Operating Segments”.

The Group provides manufacturing and sales of electronic products, which are carried out internationally, through the production complexes located in the People's Republic of China (the “**PRC**”), Thailand and Ireland during the years ended 31 December 2024 and 2023.

Information about major customers

External customers contribute over 10% of total revenue of the Group for the years ended 31 December are as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Customer A	320,481	403,793
Customer B	187,719	131,899
Customer C	145,431	N/A
Customer D	102,898	187,232
	<u> </u>	<u> </u>

Geographical information

The table below summarises the geographical revenue segment based on location of customers for the years ended 31 December 2024 and 2023:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Europe	885,793	1,034,228
North America	65,522	84,189
The PRC	24,570	17,337
South-east Asia	6,539	7,503
Hong Kong	3,707	3,195
Others	21,414	13,759
	<u> </u>	<u> </u>
Total	<u>1,007,545</u>	<u>1,160,211</u>

During the years ended 31 December 2024 and 2023, majority of revenue was derived from customers in Europe (mainly the United Kingdom (the “**UK**”), Switzerland and Ireland), while the remaining revenue was derived from customers in the United States of America (the “**US**”), the PRC, South-east Asia, Hong Kong and others (mainly Australia and Brazil).

In relation to non-current assets held by the Group (primarily represented by property, plant and equipment and right-of-use assets), land and buildings with carrying values as at 31 December 2024 of HK\$19,340,000 (2023: HK\$22,900,000) are located in Hong Kong. Other property, plant and equipment and right-of-use assets are primarily located in the PRC and Thailand.

5 REVENUE AND OTHER INCOME

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Revenue			
Sales of goods	(a)	1,007,545	1,160,211
Other income			
Commission income		104	181
Dividend income		141	167
Government grants		997	2,130
Scrap material sales income		2,463	1,242
Rental income		15	158
Service income		-	58
Sundry income		675	660
		4,395	4,596

Note:

(a) Revenue from the sale of goods is recognised at a point in time.

6 EXPENSES BY NATURE

	2024 HK\$'000	2023 HK\$'000 (Restated)
Cost of inventories	711,408	806,564
Reversal of impairment loss on inventories	(1,040)	(8,251)
Obsolete inventories written off	109	1,182
Employee benefit expenses (including directors' remuneration)	183,071	192,644
Depreciation for property, plant and equipment	16,108	13,693
Depreciation on right-of-use assets	14,507	13,215
Freight and transportation expenses	11,714	10,392
Utilities expenses	7,839	8,409
Auditors' remuneration		
– Audit services	2,261	2,395
– Non-audit services	651	1,020
Expenses related to short-term leases	1,184	1,416

7 OTHER OPERATING INCOME, NET

	2024 HK\$'000	2023 HK\$'000 (Restated)
Gain on foreign exchange, net	6,288	4,823
Fair value gain/(loss) on financial assets at fair value through profit or loss	229	(127)
Gain on disposal of property, plant and equipment	24	12
Reversal of/(provision for) impairment loss on trade receivables	296	(1,466)
Others	(3)	(1,548)
	6,834	1,694

8 FINANCE INCOME AND EXPENSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Finance income		
Bank interest income	4,989	1,331
Finance expenses		
Interest on bank borrowings	(1,330)	(1,621)
Interest on lease liabilities	(5,347)	(4,671)
Bank charges	(4,355)	(4,876)
	(11,032)	(11,168)
Finance expenses, net	(6,043)	(9,837)

9 INCOME TAX CREDIT/(EXPENSE)

The amount of taxation in profit or loss represents:

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax:			
– Hong Kong	(a)	(285)	(5,799)
– The PRC		(2,896)	(3,577)
Over/(under) provision in prior years		1,009	(2)
Deferred tax credit/(expense)		3,383	(918)
Income tax credit/(expense)		1,211	(10,296)

Note:

- (a) Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of estimated assessable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%. The Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits for the qualifying group entity and at 16.5% on the estimated assessable profits above HK\$2 million for the years ended 31 December 2024 and 2023.

10 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

	2024	2023
Profit attributable to owners of the Company (<i>HK\$'000</i>)	8,558	47,149
Weighted average number of ordinary shares in issue (<i>thousand shares</i>)	<u>1,000,000</u>	<u>1,000,000</u>
Basic earnings per share (<i>HK cents</i>)	<u><u>0.86</u></u>	<u><u>4.71</u></u>

(b) Diluted earnings per share

Diluted earnings per share was the same as basic earnings per share due to the absence of dilutive potential ordinary shares for the years ended 31 December 2024 and 2023.

11 DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend for 2023 of nil (final dividend for 2022: HK1.2 cents) per ordinary share	–	12,000
Interim dividend of nil (interim dividend for 2023: HK0.8 cent) per ordinary share	<u>–</u>	<u>8,000</u>
	<u><u>–</u></u>	<u><u>20,000</u></u>

Note:

A final dividend in respect of the year ended 31 December 2024 of HK1.2 cents (2023: nil) per ordinary share, amounting to a total dividend of HK\$12,000,000, is to be proposed at the forthcoming annual general meeting of the Company to be held on 27 May 2025.

12 TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Trade receivables	(a)	251,380	201,358
Less: Provision for impairment loss on trade receivables		(2,290)	(3,813)
Trade receivables – net		249,090	197,545
Other receivables		6,720	5,019
		255,810	202,564

Under the factoring arrangement with banks, the Group has legally transferred certain trade receivables to the factor in exchange for cash.

Note:

- (a) Trade receivables arise from trading of electronic products. The payment terms of trade receivables granted to third party customers generally range from full payment before shipment to 75 days after the end of month. The aging analysis of the trade receivables based on invoice date at the end of the reporting period is as follows:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Below 30 days	81,833	45,654
Between 31 and 60 days	99,327	45,472
Over 60 days	70,220	110,232
	251,380	201,358

13 TRADE AND OTHER PAYABLES

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Trade payables	(a)	174,487	102,959
Accruals		18,044	18,743
Other payables and provisions		1,903	1,796
		<u>194,434</u>	<u>123,498</u>

Note:

- (a) The credit terms of trade payables granted by the vendors generally range from full payment before shipment to net 180 days. The aging analysis of trade payables based on invoice date at the end of reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
Below 30 days	36,686	36,688
Between 31 and 60 days	80,452	25,201
Over 60 days	57,349	41,070
	<u>174,487</u>	<u>102,959</u>

14 CONTRACT LIABILITIES

As at 31 December 2024 and 2023, the Group recognised the following liabilities related to contracts with customers:

	2024 HK\$'000	2023 HK\$'000
Contract liabilities	<u>20,534</u>	<u>16,865</u>

(a) *Change in contract liabilities*

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance under the contracts which are mainly from sales of goods. Contract liabilities have increased due to increase in prepayment received for goods to be delivered as of the reporting date.

(b) *Revenue recognised in relation to contract liabilities*

The following table shows the amounts of the revenue recognised for the years ended 31 December 2024 and 2023 which relates to carried-forward contract liabilities.

	2024 HK\$'000	2023 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
Sales of goods	<u>6,906</u>	<u>28,672</u>

(c) *Unsatisfied contracts related to sales of goods*

The Group has applied the practical expedient to exempt the disclosure of unsatisfied, or partially unsatisfied, performance obligations as of the end of the reporting periods arising from its sales contracts for electronic products, as they have original expected durations of one year or less.

15 **BORROWINGS**

	2024 HK\$'000	2023 HK\$'000
Secured bank borrowings	<u>21,250</u>	<u>20,657</u>

The Group's borrowings were repayable as follows (without taking into account the repayment on demand clause as detailed in note (a) below):

	2024 HK\$'000	2023 HK\$'000
Within 1 year	10,333	13,157
Between 1 and 2 years	8,250	5,000
Between 2 and 5 years	<u>2,667</u>	<u>2,500</u>
	<u>21,250</u>	<u>20,657</u>

Notes:

- (a) As these loans include a clause that gives the lender the unconditional right to call the loans at any times ("**Repayment on Demand Clause**"). According to HK Interpretation 5 "Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause", these loans were classified by the Company as current liabilities.
- (b) As at 31 December 2024 and 2023, the total borrowings were secured by the following assets and their carrying values were shown below:

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment	19,340	22,900
Financial assets at fair value through profit or loss	–	1,870
Restricted bank deposits	<u>15,392</u>	<u>16,543</u>
	<u>34,732</u>	<u>41,313</u>

The borrowings were also secured by an indemnity for an unlimited amount executed by the Company.

- (c) The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at end of the reporting period are as follows:

	2024 HK\$'000	2023 HK\$'000
Variable rate	<u>21,250</u>	<u>20,657</u>

The fair value of the borrowings approximates their carrying amounts due to Repayment on Demand Clause.

The effective interest rate of bank borrowings is 6.23% per annum for the year ended 31 December 2024 (2023: 7.82% per annum).

- (d) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2024 HK\$'000	2023 <i>HK\$'000</i>
HK\$	21,250	14,800
US\$	<u>–</u>	<u>5,857</u>
	<u>21,250</u>	<u>20,657</u>

- (e) The Group has the following undrawn borrowing facilities which are unconditionally revocable:

	2024 HK\$'000	2023 <i>HK\$'000</i>
Expiring within one year	<u>161,456</u>	<u>220,376</u>

16 SHARE CAPITAL

	2024		2023
	Number of shares	Amount HK\$'000	Number of shares Amount <i>HK\$'000</i>
Issued and fully paid			
At the beginning and the end of the year	<u>1,000,000,000</u>	<u>281,507</u>	<u>1,000,000,000</u> <u>281,507</u>

17 COMPARATIVE FIGURES

Certain amounts in the consolidated financial statements of prior year have been reclassified to conform to current year presentations:

- Reclassification of reversal of impairment loss on inventories in the amount of HK\$8,251,000 from “Other operating income, net” to “Cost of sales” to fairly present its nature.
- Reclassification of obsolete inventories written off in the amount of HK\$1,182,000 from “Other operating income, net” to “Cost of sales” to fairly present its nature.
- Reclassification of unlisted fund investments in the amount of HK\$1,475,000 from non-current portion to current portion of “Financial assets at fair value through profit or loss” to fairly present its nature.

In the opinion of the Board, the reclassifications made to the comparative figures have no significant impact on the Group's consolidated financial statements for the year ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group remains a leading electronic manufacturing services (“EMS”) provider specialising in the manufacturing and sale of customised industrial electronic components and products, including electro-mechanical products, switch-mode power supplies, smart chargers, and smart vending systems. The Group’s products serve a diverse range of industries, including gaming and entertainment, medical and healthcare, telecommunications, commercial freight, security control, and the rapidly growing new energy sector. With headquarters in Hong Kong and production facilities in the PRC, Thailand, and Ireland, the Group has established a strong global presence.

In FY2024, economic conditions in Europe and North America remained challenging, with high interest rates, currency depreciation, and geopolitical uncertainties contributing to a slowdown in economic activity. Customers in these regions focused on managing excess inventories and adjusting procurement strategies, leading to a decline in order volumes. As a result, the Group’s revenue decreased by approximately 13.2% to approximately HK\$1,007.5 million in FY2024, compared to approximately HK\$1,160.2 million in FY2023. This decline was primarily driven by weakened demand for smart vending systems and switch-mode power supplies in these key markets.

In response to these challenges, the Group strategically diversified into the new energy sector. The Group’s initiatives include the production of key electronic components for solar and wind power equipment, as well as the development of electric vehicle (“EV”) chargers under the Group’s renowned self-owned “Deltrix” brand. In line with the PRC’s “Belt and Road” initiative, the Group launched new energy operations in Kazakhstan, Central Asia, establishing three model EV charging stations in Almaty. These stations integrate EV charging infrastructure, energy storage, intelligent car wash facilities, and digital advertising systems, forming a comprehensive EV charging ecosystem. The integrated advertising platform is designed to support PRC enterprises in expanding their market presence in Central Asia. To further strengthen the Group’s position in the new energy sector, the Group has established dedicated offices in Hangzhou and Kazakhstan, enhancing engagement with local partners and facilitating access to regional business opportunities.

The Group also expanded its global production capacity to enhance efficiency and competitiveness. New manufacturing facilities in the PRC and Thailand became operational in FY2023 and FY2024, respectively. Additionally, a factory building leased in the UK is set to commence operations in the first half of 2025, further boosting production capacity. These strategic expansions strengthen the Group’s ability to meet evolving customer demands and enhance its competitive position.

While these strategic initiatives contributed to long-term growth, they also led to an increase in administrative and depreciation expenses related to production expansion and infrastructure investments. However, the strong EMS business performance in the second half of 2024 helped turn the first-half loss into a full-year profit, partially offsetting the financial impact. As a result, profit attributable to owners of the Company declined to approximately HK\$8.6 million in FY2024, as compared to approximately HK\$47.1 million in FY2023. Despite this, the Group remains committed to leveraging its technological expertise, operational efficiencies, and market diversification strategies to drive sustainable growth and enhance shareholder value.

FINANCIAL REVIEW

Revenue

The following table summarises the amount of revenue generated and as a percentage of total revenue from each product category for FY2024 and FY2023:

	FY2024		FY2023		Changes	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Electro-mechanical products	330,596	32.8	314,739	27.1	+15,857	+5.0
Smart vending systems	320,494	31.8	407,826	35.2	-87,332	-21.4
Smart chargers	192,487	19.1	135,019	11.6	+57,468	+42.6
Switch-mode power supplies	156,936	15.6	297,062	25.6	-140,126	-47.2
Others ⁽¹⁾	7,032	0.7	5,565	0.5	+1,467	+26.4
Total	<u>1,007,545</u>	<u>100.0</u>	<u>1,160,211</u>	<u>100.0</u>	<u>-152,666</u>	<u>-13.2</u>

Note:

- (1) Others include automatic testing equipment (“ATE”), power switch gear boards, and catering equipment control boards.

Revenue for FY2024 decreased by approximately HK\$152.7 million as compared with FY2023, primarily due to the decrease in sales of smart vending systems and switch-mode power supplies as a result of the drop in customer demand, as discussed in the section headed “Business Review” above. However, this decrease was partially offset by the growth in sales of smart chargers and electro-mechanical products.

The table below summarises the geographical revenue segment based on location of customers for FY2024 and FY2023:

	FY2024		FY2023		Changes	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Europe ⁽¹⁾	885,793	87.9	1,034,228	89.1	-148,435	-14.4
North America ⁽²⁾	65,522	6.5	84,189	7.3	-18,667	-22.2
The PRC (including Hong Kong)	28,277	2.8	20,532	1.8	+7,745	+37.7
South-east Asia ⁽³⁾	6,539	0.7	7,503	0.6	-964	-12.8
Others ⁽⁴⁾	21,414	2.1	13,759	1.2	+7,655	+55.6
Total	<u>1,007,545</u>	<u>100.0</u>	<u>1,160,211</u>	<u>100.0</u>	<u>-152,666</u>	<u>-13.2</u>

Notes:

- (1) Europe includes Austria, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Lithuania, Malta, Spain, Sweden, Switzerland, the Netherlands and the UK.
- (2) North America includes the US.
- (3) South-east Asia includes Malaysia, Philippines, Singapore, and Vietnam.
- (4) Others include Australia, Brazil, Israel, Japan, Kazakhstan and Taiwan.

Europe and North America continued to be the major markets of the Group which in aggregate accounted for approximately 94.4% and 96.4% of total revenue in FY2024 and FY2023 respectively. Sales to customers in Europe had a decrease of approximately 14.4% and sales to customers in North America also reduced by approximately 22.2% in FY2024 compared to FY2023, which was resulted from the decline in demand for the Group's products in these regions, as discussed in the section headed "Business Review" above.

Cost of sales

The Group's cost of sales mainly comprised direct materials, direct labour costs, and manufacturing overheads. Cost of sales decreased by 11.9% from approximately HK\$930.4 million in FY2023 to approximately HK\$820.1 million in FY2024. This reduction in cost of sales was primarily attributable to decreases in material costs and direct labour costs, reflecting the decrease in revenue in FY2024.

Gross profit and gross profit margin

As a result of the aforementioned factors, the Group achieved a gross profit of approximately HK\$187.5 million in FY2024, representing a decrease of approximately 18.4% compared to FY2023. The gross profit margin reduced by 1.2 percentage points from 19.8% in FY2023 to 18.6% in FY2024.

Other income

Other income primarily comprises sales of scrap materials, government grants and subsidies received in the PRC, rental income, service income, commission income and dividend income. The Group's other income dropped from approximately HK\$4.6 million in FY2023 to approximately HK\$4.4 million in FY2024. This decrease was mainly due to a reduction in government grants received in the PRC; however, it was partially offset by an increase of approximately HK\$1.2 million in scrap material sales in FY2024.

Selling and distribution expenses

Selling and distribution expenses primarily consist of freight and transportation expenses, sales commission expenses, inspection fee, advertising and promotion expenses and marine insurance expenses. These expenses increased from approximately HK\$18.6 million in FY2023 to approximately HK\$20.1 million in FY2024, primarily due to higher freight and transportation costs, as well as increased inspection fees for the inspection and certification of EV chargers during FY2024. This increase was partially offset by a decrease in commissions paid to sales agents resulting from lower sales in FY2024.

Administrative expenses

Administrative expenses primarily consist of employee benefit expenses (including directors' remuneration), depreciation for property, plant and equipment and right-of-use assets, auditors' remuneration, insurance expenses and other general administrative expenses. Administrative expenses grew by approximately 10.0% from approximately HK\$150.2 million in FY2023 to approximately HK\$165.2 million in FY2024. The increase in administrative expenses was mainly due to rising salaries and allowances for sales and administrative staff, as well as increased depreciation for property, plant and equipment in FY2024.

Other operating income, net

Other operating income, net mainly consists of net gain on foreign exchange, fair value gain/(loss) on financial assets at fair value through profit or loss and reversal of/(provision for) impairment loss on trade receivables. Other operating income, net increased from approximately HK\$1.7 million in FY2023 to approximately HK\$6.8 million in FY2024, which was primarily resulted from the increase in reversal of impairment loss on trade receivables and net gain on foreign exchange in FY2024.

Finance income

Finance income refers to the interest earned on bank deposits. It rose by approximately 274.8%, increasing from approximately HK\$1.3 million in FY2023 to approximately HK\$5.0 million in FY2024. This growth was primarily due to more time deposits placed with banks in FY2024.

Finance expenses

Finance expenses include interest on lease liabilities and bank borrowings, and bank charges. These expenses decreased by approximately 1.2%, falling from approximately HK\$11.2 million in FY2023 to approximately HK\$11.0 million in FY2024. This reduction was mainly due to: (i) a decline in bank charges and interest expenses, and (ii) a partial offset from an increase in interest on lease liabilities, primarily driven by the commencement and extension of factory building leases in the UK and Thailand, respectively.

Income tax credit/(expense)

There is an income tax credit of approximately HK\$1.2 million for the current year, compared to an income tax expense of approximately HK\$10.3 million in FY2023. This change is primarily due to a decrease in current income tax expense in Hong Kong and an increase in the deferred tax credit resulting from the recognition of deferred tax assets in FY2024.

LIQUIDITY AND FINANCIAL RESOURCES

During FY2024, the Group primarily financed its operational and capital requirements through a combination of cash flows generated from the operating activities, proceeds from the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) on 23 November 2017 (the “**Listing**”) and bank borrowings. As at 31 December 2024, the Group had bank borrowings of approximately HK\$21.3 million (2023: approximately HK\$20.7 million), classified as current liabilities and primarily denominated in Hong Kong dollars (“**HK\$**”) (2023: HK\$ and United States Dollars (“**US\$**”). The Group also had undrawn borrowing facilities of approximately HK\$161.5 million (2023: approximately HK\$220.4 million). In addition, the Group had restricted bank deposits and cash and cash equivalents amounted to approximately HK\$156.5 million (2023: approximately HK\$77.5 million), mainly denominated in HK\$, US\$, Renminbi (“**RMB**”), Thai Baht (“**THB**”) and Euro (“**EUR**”).

As at 31 December 2024, the Group had net current assets of approximately HK\$317.2 million (2023: approximately HK\$330.0 million). The Group’s current ratio, calculated by dividing current assets by current liabilities, decreased from 2.9 as at 31 December 2023 to 2.2 as at 31 December 2024. The Group’s gearing ratio, defined as net debt divided by total capital, remained not applicable (“**N/A**”) as at 31 December 2024 (2023: N/A), as the Group maintained a positive net cash position (cash and cash equivalents minus borrowings). Net debt is calculated as bank borrowings minus cash and cash equivalents, while total capital is the sum of total equity, as reported in the consolidated statement of financial position, and net debt (if applicable).

FINANCIAL RISK MANAGEMENT

The Group is exposed to various financial risks, including (i) market risk (comprising foreign exchange risk, price risk and cash flow interest rate risk), (ii) credit risk; and (iii) liquidity risk. The Group's risk management programme focuses on addressing the unpredictability of financial markets and minimising potential adverse impacts on the Group's financial performance.

Foreign exchange risk

The Group operates mainly in Hong Kong, the PRC, Thailand and Ireland. Entities within the Group are exposed to foreign exchange risk due to currency fluctuations, particularly in relation to US\$, RMB, THB and EUR. Foreign exchange risk arises from export sales, purchases, other future commercial transactions and monetary assets and liabilities denominated in currencies other than the entity's functional currency.

The management of the Company has established a policy requiring the Group to manage its foreign exchange risk against its functional currencies. The Group mitigates this risk by closely monitoring foreign currency movements and may enter into forward foreign exchange contracts should the need arise. During FY2024 and FY2023, the Group did not enter into any forward foreign exchange contract.

Price risk

The Group is exposed to equity securities price risk from its investments in equity instruments, which are classified as financial assets at fair value through profit or loss in the consolidated statement of financial position. The Group mitigates its price risk exposure by maintaining a portfolio of investments with different risk and return profiles, and ensuring the investment portfolio is frequently reviewed and monitored.

Cash flow interest rate risk

The Group's interest rate risk primarily arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash held in banks at variable rates. The Group does not adopt any interest rate hedging strategy.

During FY2024 and FY2023, all bank borrowings of the Group were arranged at floating rates varied with prevailing market condition.

As at 31 December 2024, the Group had bank borrowings of approximately HK\$21.3 million (2023: approximately HK\$20.7 million), primarily denominated in HK\$ (2023: HK\$ and US\$).

Credit risk

The Group's credit risks are primarily attributable to financial instruments that are trade and other receivables, deposits, time deposits and cash held in banks.

In respect of time deposits and cash held in banks, the credit risk is considered low as the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The management of the Group conducts periodic assessment on the recoverability of trade and other receivables based on historical payment records, the duration of the overdue periods, the financial strength of debtors and the presence of any disputes with the debtors. According to the Group's historical experience in collection of trade and other receivables, the irrecoverable trade and other receivables fall within the recognised allowances and the management is of the opinion that adequate provision for uncollectible receivables has been made.

As at 31 December 2024, the Group had a concentration of credit risk as 45.6% (2023: 49.0%) and 84.2% (2023: 81.0%) of the total trade receivables due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

Liquidity risk

Cash flow forecasts are performed in the operating entities of the Group, taking into account debt financing plans, covenant compliance, and any applicable external regulatory or legal requirements, such as currency restrictions.

The Group manages liquidity risk through various measures, including orderly realisation of short-term financial assets and receivables, and securing long-term financing through borrowings. The Group maintains funding flexibility by ensuring sufficient bank balances, committed credit lines and access to interest-bearing borrowings. These measures enable the Group to sustain its business operations in the foreseeable future.

COMMITMENTS

- (a) The Group's capital expenditure on property, plant and equipment contracted for but not recognised as liabilities as at 31 December 2024 amounted to HK\$139,000 (2023: HK\$4,800,000).
- (b) The Group has recognised right-of-use assets and lease liabilities for all leases, except for short-term leases with original lease term of less than one year. The total future minimum lease payments under non-cancellable leases for which no lease liabilities have been recognised by the Group as at 31 December 2024 amounted to HK\$362,000 (2023: HK\$152,000).

CAPITAL STRUCTURE

The capital structure of the Group consists of bank borrowings and equity attributable to owners of the Company, comprising issued share capital and reserves. As at 31 December 2024, the Company had 1,000,000,000 shares in issue (2023: 1,000,000,000 shares).

SIGNIFICANT INVESTMENTS

As at 31 December 2024, the Group did not hold any significant investments (2023: nil).

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions nor disposals of subsidiaries, associates and joint ventures during FY2024 (2023: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the prospectus of the Company dated 13 November 2017 (the “**Prospectus**”) or otherwise in this announcement, the Group currently has no other plans for material investments and capital assets.

CONTINGENT LIABILITIES

The Group had contingent liabilities as at 31 December 2024 in respect of:

A PRC subsidiary of the Company is currently involved in labour disputes with certain former employees regarding compensation for the termination of their employment contracts. The Company has sought legal advice from law firms in the PRC, which indicates that it is likely the judgment will be in favour of the Group. Therefore, no provision has been recognised in relation to these disputes. The potential undiscounted amount of total payments that the Group would be required to make in the event of adverse decisions related to these lawsuits is estimated to be approximately HK\$6.0 million.

The Group did not have material contingent liabilities as at 31 December 2023.

TREASURY MANAGEMENT

During FY2024, there were no material changes in the Group’s funding and treasury policies. The Group maintains an adequate level of cash and banking facilities to support its normal business operations.

The Group’s capital management objectives are to ensure the continuity of the Group as a going concern while maximising the return to the shareholders of the Company (“**Shareholders**”) through an optimal balance of debt and equity. The Group manages its capital in proportion to risk and makes necessary adjustments to its overall capital structure. The management of the Group closely monitors trade receivable balances for any overdue amounts on an ongoing basis and only trade with creditworthy parties. The management of the Group carefully monitors the Group’s liquidity position to ensure that the liquidity structure of its assets, liabilities and commitments can meet its funding requirements and effectively manage liquidity risk.

PLEDGE OF ASSETS

As at 31 December 2024, the property, plant and equipment amounted to approximately HK\$19.3 million (2023: approximately HK\$22.9 million), bank deposits amounted to approximately HK\$15.4 million (2023: approximately HK\$16.5 million), financial assets at fair value through profit or loss amounted to HK\$ nil (2023: approximately HK\$1.9 million) and an indemnity for an unlimited amount executed by the Company were pledged as security for the bank borrowings of the Group.

EMPLOYEES AND REMUNERATION POLICIES

As of 31 December 2024, the Group had a total of 1,310 employees (2023: 1,560). The Group’s employee benefit expenses mainly included salaries, overtime payment, discretionary bonus, directors’ remuneration, other staff benefits and contributions to retirement schemes.

For FY2024, the Group’s total employee benefit expenses (including directors’ remuneration) amounted to approximately HK\$183.1 million (2023: approximately HK\$192.6 million). Remuneration is determined with reference to the qualification, experience and work performance, while the discretionary bonus is based on work performance, the Group’s financial performance for the year, and prevailing market conditions.

COMPARISON OF BUSINESS STRATEGIES WITH ACTUAL BUSINESS PROGRESS

The following sets out a comparison of the business strategies as stated in the Prospectus with the Group's actual business progress for FY2024 and up to the date of this announcement:

Business strategies as stated in the Prospectus

Actual business progress up to the date of this announcement

Continue to expand the customer base in the European market and explore new markets in the PRC, the US and other Asian countries

The ongoing global trends toward digital advancement and new energy transitions continue to drive sustained demand for innovative technologies, including medical and healthcare devices, smart charging solutions, EV chargers, energy-efficient equipment, and self-service kiosks. Capitalising on these opportunities, the Group's marketing team has successfully expanded its customer base across Europe, the US, the PRC (including Hong Kong), and other Asian markets. To further leverage these emerging trends, the Group plans to devote additional resources toward strengthening its sales and marketing initiatives, ensuring it remains well-positioned to meet evolving market needs.

Manufacture products of higher value and/or with higher profit contribution per the resources

The Group specialises in the manufacturing and sale of customised industrial electronic components and products. Its diverse product range includes electro-mechanical products, switch-mode power supplies, smart chargers, and smart vending systems. These products cater to a broad spectrum of industrial and commercial applications, such as medical and healthcare devices, new energy infrastructure, telecommunications networks, commercial freight systems, security and access control technologies, and gaming and entertainment systems. Renowned for their exceptional quality, technical precision, and ability to deliver high value, these products contribute significantly to profitability.

Continue to expand the operations in ATE business segment

The global economic slowdown and uncertain business environment have led the Group's ATE business customers to adopt a cautious approach to project development and capital investment, resulting in a decline in demand for ATEs. In response, the Group has decided to suspend its expansion plans in the ATE business and reallocate resources to strengthen its core industrial electronic manufacturing services. This strategic shift enables the Group to navigate economic challenges, optimise operational efficiency, and remain committed to delivering high-quality industrial electronic solutions.

Strengthen the sales and marketing efforts in the industrial electronic manufacturing services sector

The Group prioritises maintaining strong relationships with customers and partners through regular visits, fostering better cooperation and project development. Additionally, it actively collaborates with customers, design houses, and industry participants to drive innovation and explore new products. By participating in industry exhibitions, trade fairs, and promotional campaigns, the Group stays informed about market developments, connects with potential customers, and seizes emerging opportunities. To enhance its online presence, the Group places significant emphasis on enriching website content. This includes providing timely corporate news and updates, showcasing state-of-the-art smart manufacturing processes, and highlighting superior-quality industrial electronic products. Through these efforts, the Group aims to strengthen its reputation and solidify its position as a leading provider of customised industrial electronic components and products.

Further enhance the production efficiencies and expand the production capacity

As disclosed in the Company's announcements dated 23 April 2021, 22 June 2021, 15 December 2021, 18 March 2022, and 13 May 2022, along with the circular dated 26 July 2021, the Group entered into tenancy agreements with the Shiji Cooperative Economic Association of Dongchong Town, Nansha District, Guangzhou City, Guangdong Province* (廣東省廣州市南沙區東涌鎮石基股份合作經濟聯合社) for the lease of two factory buildings. These facilities became operational in FY2023, with one building designated as a warehouse and the other as a production facility. Additionally, in FY2023, the Group expanded its operations by leasing an additional factory building near its existing production facility in Thailand, which commenced operations in the second half of 2024.

Further strengthening its global presence, the Group leased a factory building in the UK in 2024, which is expected to become operational in the first half of 2025. These new production facilities are equipped with advanced automation and digital technology, significantly enhancing production efficiency.

This strategic expansion allows the Group to increase its production capacity and better meet the evolving needs of its customers. With these initiatives in place, the Group is confident in further strengthening its position as a leading provider of industrial electronic manufacturing services.

Continue to recruit talents and professionals

To maintain its competitive edge in the industrial electronics manufacturing industry, the Group has implemented a strategic approach focused on recruiting and developing talents and professionals. As part of its commitment to high value-added solutions and the integration of new technologies, the Group has transformed its strategic talent centre (“STC”) in Guangzhou City, Guangdong Province, China, into an innovation and software application development centre. This transformation aims to attract and cultivate technological talent, enhance the Group’s infrastructure, and drive the application of advanced technologies and innovation across its operations. As at 31 December 2024, the STC employed eighteen individuals to provide a wide range of value-added services for the Group. Looking ahead, the Company’s management remains dedicated to continuously attracting and recruiting talented individuals of the highest calibre to expand the STC. This ensures they can provide essential support to the Group’s ongoing operations and contribute to its continued growth and success in the industry.

USE OF PROCEEDS

The following table sets forth the status of use of net proceeds from the Listing as at 31 December 2024:

Business strategies as set out in the Prospectus	The actual net proceeds prior to the reallocation on 25 October 2019 (the “First Reallocation”)	The reallocation on 22 December 2023 (the “Second Reallocation”)		The actual net proceeds subsequent to the First Reallocation and the Second Reallocation	Utilised net proceeds up to 31 December 2023	Unutilised net proceeds as at 1 January 2024	Utilised net proceeds during the year ended 31 December 2024	Balance as at 31 December 2024	Expected timeline of full utilisation of the balance as at 31 December 2024
	HK\$’ million	The First Reallocation	HK\$’ million	HK\$’ million	HK\$’ million	HK\$’ million	HK\$’ million	HK\$’ million	
Development of new production base	77.8	–	–	77.8	(53.6)	24.2	(24.2)	–	N/A
– installation of SMT production lines, interchangeable PCB assembly production lines and other machineries and equipment in the Group’s new production bases in the PRC and Thailand (the “Sub-item 1”) (note)	54.2	–	(13.3)	40.9	(29.8)	11.1	(11.1)	–	N/A
– advance payment of rental deposit, electricity installation charges and rental prepayment in respect of the Group’s new production base	14.4	–	–	14.4	(14.4)	–	–	–	N/A

Business strategies as set out in the Prospectus	The actual net proceeds prior to the reallocation on 25 October 2019 (the “First Reallocation”) <i>HK\$’ million</i>	The reallocation on 22 December 2023 (the “Second Reallocation”) (<i>Note</i>) <i>HK\$’ million</i>		The actual net proceeds subsequent to the First Reallocation and the Second Reallocation <i>HK\$’ million</i>	Utilised net proceeds up to 31 December 2023 <i>HK\$’ million</i>	Unutilised net proceeds as at 1 January 2024 <i>HK\$’ million</i>	Utilised net proceeds during the year ended 31 December 2024 <i>HK\$’ million</i>	Balance as at 31 December 2024 <i>HK\$’ million</i>	Expected timeline of full utilisation of the balance as at 31 December 2024
	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>	
– configuration of the Group’s new production bases including leasehold improvements (the “Sub-item 3”) (<i>note</i>)	9.2	–	13.3	22.5	(9.4)	13.1	(13.1)	–	N/A
Upgrading of existing production facilities	4.5	–	–	4.5	(4.5)	–	–	–	N/A
Establishment of offices in Dublin, Ireland and Paris, France	11.3	(8.3)	–	3.0	(3.0)	–	–	–	N/A
Establishment of the STC in Guangzhou City, Guangdong Province, the PRC	11.3	(5.0)	–	6.3	(6.3)	–	–	–	N/A
Working capital and other general corporate purposes	5.1	–	–	5.1	(5.1)	–	–	–	N/A
Business developments and operations in Europe	–	13.3	–	13.3	(13.3)	–	–	–	N/A
	<u>110.0</u>	<u>–</u>	<u>–</u>	<u>110.0</u>	<u>(85.8)</u>	<u>24.2</u>	<u>(24.2)</u>	<u>–</u>	

Note: Having taken into account the latest business development of the Group and the business needs, the Board resolved to change the use of the unutilised net proceeds by (i) reallocating HK\$13.3 million from the Sub-item 1 to the Sub-item 3; and (ii) inclusion of the new production base in Thailand in the Sub-item 1 and the Sub-item 3. Please refer to the announcement of the Company dated 22 December 2023 for further details in relation to the change of use of proceeds.

The Board closely monitors the use of net proceeds with reference to those disclosed in the Prospectus and the announcements of the Company dated 25 October 2019 and 22 December 2023 as to the change in use of proceeds from the Listing. The net proceeds from the Listing have been fully utilised as at 31 December 2024 in accordance with the expected timeline and purposes as previously disclosed.

OUTLOOK

The Group remains cautiously optimistic while navigating global economic uncertainties. Strong EMS business performance in the second half of 2024 turned the first-half loss into a full-year profit, reflecting robust demand, driven by rising health awareness, digital transformation, and the global shift to new energy. To capitalise on these trends, the Group is strengthening its sales and marketing efforts, exploring new opportunities, and investing in advanced technologies to enhance production efficiency.

In alignment with global sustainability initiatives and the PRC's Belt and Road strategy, the Group is actively expanding its new energy business in Kazakhstan, establishing it as a key regional hub. The Group has partnered with Sinoil (China National Petroleum) to set up EV charging stations and digital advertising facilities across approximately 140 Sinoil gas stations in the country. Three model EV charging stations have already been established in Almaty, integrating Deltrix-branded chargers, energy storage systems, digital advertising screens, and intelligent car wash facilities.

Looking ahead, the Group will continue to enhance its charging infrastructure by deploying smart charging stations integrating solar power and energy storage systems. These stations will not only support EV charging but also form a comprehensive ecosystem, combining digital advertising, intelligent e-commerce, automated car wash services, and convenience retail stores. The integrated advertising platform aims at supporting Chinese enterprises in expanding their market presence in Central Asia, reinforcing the Group's goal of becoming the leading outdoor media provider in Kazakhstan.

Beyond Kazakhstan, the Group is expanding its new energy operations into Uzbekistan, with plans to establish smart charging stations and build electric driverless heavy-duty truck manufacturing facilities to support the country's transition toward sustainable transportation. This strategic expansion reinforces the Group's commitment to contributing to the new energy transition in Central Asia.

Beyond Central Asia, the Group is expanding its new energy business into Hong Kong and Southeast Asia, with an initial focus on Thailand and Indonesia. By leveraging its expertise in new energy solutions, the Group aims to establish a strong presence in these rapidly growing markets.

Through these initiatives, the Group is advancing its vision of creating a "Greater Asia New Energy Business Circle", a strategic network that integrates EV charging infrastructure, energy storage, digital advertising, and intelligent service solutions across multiple regions. This expansion aligns with the Group's long-term commitment to sustainability, technological innovation, and value creation for stakeholders.

The Group will continue to focus on identifying and capitalising on emerging opportunities in the new energy sector. By enhancing the Group's sales and marketing strategies and investing in key areas of growth, the Group aims to strengthen its market position and drive long-term success. The Group's commitment to delivering excellence and creating value for stakeholders will remain a central priority.

DIVIDENDS

The Board has recommended a final dividend of HK1.2 cents per ordinary share of the Company for the year ended 31 December 2024 (2023: nil) to the Shareholders. The proposed final dividend, subject to the approval of the Shareholders at the annual general meeting (the “AGM”) of the Company to be held on 27 May 2025, is expected to be paid on 14 July 2025 to the Shareholders whose names appear on the register of members of the Company on 27 June 2025, being the record date for determination of entitlements to the final dividend.

A circular containing, among other things, further information about the final dividend and the notice of the forthcoming annual general meeting will be despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Tuesday, 27 May 2025, the register of members of the Company will be closed from Thursday, 22 May 2025 to Tuesday, 27 May 2025, both days inclusive, during which no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 21 May 2025.

In order to ascertain the entitlement to the final dividend, the register of members of the Company will be closed from Wednesday, 25 June 2025 to Friday, 27 June 2025, both days inclusive. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during FY2024.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events affecting the Group after FY2024 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company’s corporate governance practices are based on the good corporate governance and code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). The Company is committed to ensuring a quality board and transparency and accountability to the Shareholders.

The Company complied with all code provisions in the CG Code during FY2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities in Appendix C3 to the Listing Rules (the “**Model Code**”) as the code of conduct governing Directors’ securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code and there were no events of non-compliance during the year ended 31 December 2024 and up to the date of this announcement.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 27 October 2017 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C4 and paragraph D3 of the CG Code. As at the date of this announcement, the Audit Committee comprises three members, namely Mr. Yip Wa Ming, Mr. Kan Pak Cheong and Mr. Wong Kwok Kuen. The chairperson of the Audit Committee is Mr. Yip Wa Ming. The Audit Committee reviewed the preliminary results announcement and the consolidated financial statements of the Group for the year ended 31 December 2024. The Audit Committee also reviewed the effectiveness of internal control system of the Group and considered the system to be effective and adequate.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY THE INDEPENDENT AUDITOR

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 independent auditor, PricewaterhouseCoopers, Certified Public Accountants of Hong Kong (“**PricewaterhouseCoopers**”) to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently, no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

RESIGNATION OF CHIEF EXECUTIVE OFFICER

The Board announces that Ms. Jingjing Zhang (“**Ms. Zhang**”) has tendered her resignation as the chief executive officer of the Company with effect from 28 March 2025 due to her other business commitment.

Ms. Zhang has confirmed that she has no disagreement with the Board and there is no other matter that needs to be brought to the attention of the Shareholders or the Stock Exchange in relation to her resignation as the chief executive officer of the Company.

The Company is in the process of identifying a suitable candidate to fill the vacancy of the chief executive officer of the Company. The Company will make further announcement in this regard as and when appropriate and in accordance with the requirements under the Listing Rules.

The Board would like to take this opportunity to express its heartfelt gratitude to Ms. Zhang for her contribution and support during her tenure of office.

PROPOSED TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

In light of the amendments to the Listing Rules relating to share options schemes and share award schemes of listed issuers which came into effect on 1 January 2023, the Board announces that it proposes to terminate the existing share option scheme of the Company which was conditionally approved and adopted by written resolution of the then Shareholder on 27 October 2017 (the “**Existing Share Option Scheme**”) and adopt a new share option scheme (the “**New Share Option Scheme**”) to replace the Existing Share Option Scheme. At the AGM, an ordinary resolution will be proposed to the Shareholders to terminate the Existing Share Option Scheme and to approve the adoption of the New Share Option Scheme.

The New Share Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules. The purpose of the New Share Option Scheme is to give the eligible participants as prescribed therein an opportunity to acquire proprietary interests in the Company with the view to (i) motivate the eligible participants to optimise their performance and efficiency for the benefit of the Group; and (ii) attract and retain or otherwise maintain ongoing business relationship with the eligible participants who are significant to and/or whose contributions are, will or expected to be beneficial to the performance, growth and success of the Group.

The proposed termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are subject to the approval of the Shareholders by way of an ordinary resolution at the AGM. A circular containing, among other things, the notice of the AGM and the details in relation to the New Share Option Scheme (including a summary of the principal terms of the New Share Option Scheme) will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

On behalf of the Board
Trio Industrial Electronics Group Limited
Wong Sze Chai
Chairman and Executive Director

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Wong Sze Chai (Chairman), Mr. Tai Leung Lam, Mr. Lo Ka Kei Jun, and Ms. Liu Yun as executive Directors, Mr. Kwan Tak Sum Stanley as non-executive Director, and Mr. Kan Pak Cheong, Mr. Wong Kwok Kuen and Mr. Yip Wa Ming as independent non-executive Directors.

** for identification purpose only*