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**CHINA ELECTRONICS HUADA TECHNOLOGY COMPANY LIMITED**  
**中國電子華大科技有限公司**

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 00085)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2024 AND  
CHANGE OF HONG KONG BRANCH SHARE REGISTRAR AND  
TRANSFER OFFICE**

The board of directors (the “Board”) of China Electronics Huada Technology Company Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

|  | <b>Year ended 31 December</b> |                    |
|--|-------------------------------|--------------------|
|  | <b>2024</b>                   | <b>2023</b>        |
|  | <b>HK\$'000</b>               | <b>HK\$'000</b>    |
| <b>Revenue</b>   | <b>2,348,984</b>              | 3,019,120          |
| Cost of sales  | <u>(1,214,021)</u>            | <u>(1,721,057)</u> |
| <b>Gross profit</b>  | <b>1,134,963</b>              | 1,298,063          |
| Other income – net   | <b>125,624</b>                | 69,050             |
| Selling and marketing costs  | <b>(45,578)</b>               | (79,364)           |
| Administrative expenses  | <b>(562,742)</b>              | (532,765)          |
| (Impairment losses)/net reversal of impairment losses on trade and other receivables | <u><b>(195)</b></u>           | <u>2,273</u>       |
| <b>Operating profit</b>  | <b>652,072</b>                | 757,257            |
| Finance income   | <b>15,095</b>                 | 21,829             |
| Finance costs  | <b>(38,310)</b>               | (42,594)           |
| Finance costs – net  | <b>(23,215)</b>               | (20,765)           |
| Share of result of an associate  | <b>(71)</b>                   | 173                |
| Gain on deemed disposal of an associate  | <u><b>4,988</b></u>           | <u>–</u>           |
| <b>Profit before taxation</b>  | <b>633,774</b>                | 736,665            |
| Taxation   | <u><b>(45,090)</b></u>        | <u>(49,300)</u>    |
| <b>Profit for the year</b>   | <u><b>588,684</b></u>         | <u>687,365</u>     |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS** (*Cont'd*)

|   | <b>Year ended 31 December</b> |                 |
|---|-------------------------------|-----------------|
|   | <b>2024</b>                   | 2023            |
|   | <b><i>HK\$'000</i></b>        | <i>HK\$'000</i> |
| <b>Profit for the year attributable to:</b> |                               |                 |
| Owners of the Company                       | <b>587,501</b>                | 686,431         |
| Non-controlling interests                   | <b>1,183</b>                  | 934             |
|   | <u><b>588,684</b></u>         | <u>687,365</u>  |
| <b>Proposed dividend</b>                    | <u><b>182,688</b></u>         | <u>213,137</u>  |
|   | <b><i>HK cents</i></b>        | <i>HK cents</i> |
| <b>Basic earnings per share</b>             | <u><b>28.94</b></u>           | <u>33.82</u>    |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

|   | Year ended 31 December |                 |
|---|------------------------|-----------------|
|   | 2024                   | 2023            |
|   | <i>HK\$'000</i>        | <i>HK\$'000</i> |
| <b>Profit for the year</b>  | <b>588,684</b>         | 687,365         |
| <b>Other comprehensive income for the year,<br/>net of taxation:</b>          |                        |                 |
| Items that may be subsequently<br>reclassified to profit or loss:             |                        |                 |
| Exchange differences on translation of<br>financial statements                | (42,022)               | (20,170)        |
| Items that will not be subsequently<br>reclassified to profit or loss:        |                        |                 |
| Exchange differences on translation of<br>financial statements of the Company | (8,720)                | (11,267)        |
| <b>Total comprehensive income for the year</b>                                | <b>537,942</b>         | 655,928         |
| <b>Total comprehensive income for the year<br/>attributable to:</b>           |                        |                 |
| Owners of the Company   | 537,835                | 655,323         |
| Non-controlling interests   | 107                    | 605             |
|   | <b>537,942</b>         | 655,928         |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                               | 31 December<br>2024<br><i>HK\$'000</i> | 31 December<br>2023<br><i>HK\$'000</i> |
|-------------------------------|--|--|
| <b>ASSETS</b>                 |  |  |
| <b>Non-current assets</b>     |  |  |
| Property, plant and equipment | 56,980                                 | 37,146                                 |
| Right-of-use assets           | 43,732                                 | 10,212                                 |
| Investment properties         | 42,177                                 | 48,556                                 |
| Intangible assets             | 66,631                                 | 64,641                                 |
| Investments in associates     | 20,715                                 | 16,216                                 |
| Trade and other receivables   | 144,406                                | 157,813                                |
| Deferred tax assets           | 55,824                                 | 71,389                                 |
| Time deposits                 | 637,122                                | 706,230                                |
|                               | <u>1,067,587</u>                       | <u>1,112,203</u>                       |
| <b>Current assets</b>         |  |  |
| Inventories                   | 847,662                                | 848,621                                |
| Trade and other receivables   | 574,070                                | 574,285                                |
| Restricted cash               | 2                                      | 1                                      |
| Time deposits                 | 941,644                                | 684,161                                |
| Cash and cash equivalents     | 743,036                                | 1,107,515                              |
|                               | <u>3,106,414</u>                       | <u>3,214,583</u>                       |
| <b>Total assets</b>           | <u><u>4,174,001</u></u>                | <u><u>4,326,786</u></u>                |

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (*Cont'd*)

|   | <b>31 December<br/>2024<br/>HK\$'000</b> | 31 December<br>2023<br>HK\$'000 |
|---|--|---------------------------------|
| <b>EQUITY AND LIABILITIES</b>                       |  |                                 |
| <b>Equity attributable to owners of the Company</b> |  |                                 |
| Share capital and premium                           | <b>225,454</b>                           | 225,454                         |
| Reserves  | <b>2,217,802</b>                         | 1,893,104                       |
|   | <b>2,443,256</b>                         | 2,118,558                       |
| <b>Non-controlling interests</b>                    | <b>27,770</b>                            | 27,663                          |
| <b>Total equity</b>                                 | <b>2,471,026</b>                         | 2,146,221                       |
| <b>Liabilities</b>                                  |  |                                 |
| <b>Non-current liabilities</b>                      |  |                                 |
| Lease liabilities                                   | <b>13,706</b>                            | 4,459                           |
| Trade and other payables                            | <b>97,508</b>                            | 371,171                         |
| Deferred tax liabilities                            | <b>46,208</b>                            | 44,161                          |
| Contract liabilities                                | <b>2,748</b>                             | 6,123                           |
|   | <b>160,170</b>                           | 425,914                         |
| <b>Current liabilities</b>                          |  |                                 |
| Deferred government grants                          | <b>22,539</b>                            | 57,472                          |
| Contract liabilities                                | <b>131,481</b>                           | 386,633                         |
| Trade and other payables                            | <b>979,385</b>                           | 806,139                         |
| Bank and other borrowings                           | <b>378,020</b>                           | 496,568                         |
| Lease liabilities                                   | <b>31,327</b>                            | 7,785                           |
| Income tax payable                                  | <b>53</b>                                | 54                              |
|   | <b>1,542,805</b>                         | 1,754,651                       |
| <b>Total liabilities</b>                            | <b>1,702,975</b>                         | 2,180,565                       |
| <b>Total equity and liabilities</b>                 | <b>4,174,001</b>                         | 4,326,786                       |

## **GENERAL INFORMATION**

The Company is incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Company has its shares listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The ultimate holding company of the Company is China Electronics Corporation Limited, which is established in the People's Republic of China (the "PRC").

The principal activities of the Group are the design and sale of integrated circuit chips.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated.

## **BASIS OF PREPARATION**

### **(a) Compliance with HKFRSs, HKASs, Interpretations and Listing Rules**

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. These consolidated financial statements also comply with all applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Hong Kong Companies Ordinance.

### **(b) Material accounting policies**

In the current year, the Group has adopted for the first time of all the new or amended HKFRSs and HKASs, and Interpretations issued by the Hong Kong Institute of Certified Public Accountants that are relevant to the Group's operations and effective for the accounting period beginning on 1 January 2024. The adoption of these new or amended standards and interpretations had no material effect on the results and financial position of the Group and/or disclosures set out in the consolidated financial statements.

## REVENUE AND SEGMENT INFORMATION

### (a) Revenue

|   | 2024<br><i>HK\$'000</i> | 2023<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Sale of integrated circuit products and provision of services | <u>2,348,984</u>        | <u>3,019,120</u>        |

Most of the revenue of the Group is from sale of goods, which is recognised at a point in time when control of the goods is transferred to the customers.

The Group has recognised contract liabilities of HK\$134,229,000 at 31 December 2024 (2023: HK\$392,756,000), of which HK\$131,481,000 (2023: HK\$386,633,000) is expected to be recognised as revenue within one year. The contract liabilities mainly comprise of prepayments received from customers, to whom the control of products have not been transferred. Contract liabilities of HK\$386,633,000 at 31 December 2023 was recognised as revenue during the year ended 31 December 2024 (2023: HK\$383,516,000).

### (b) Segment information

Management has determined the operating segments based on the reports reviewed by the Board (the chief operating decision maker) that are used to assess performance and allocate resources. The Board assesses the performance of an operating segment based on a measure of its operating profit excluding unallocated corporate income and expenses.

The Board considers that the Group's operations are operated and managed as a single segment and accordingly, no segment information is presented.

Revenues of HK\$474,119,000, HK\$426,037,000 and HK\$299,563,000 (2023: HK\$567,437,000 and HK\$507,031,000) derived from 3 (2023: 2) external customers of the Group have exceeded 10% of the revenue of the Group. Save as disclosed herein, no other revenue derived from a single external customer has exceeded 10% of the revenue of the Group.

Nearly 100% of the Group's revenue is attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China, and therefore no geographical information is presented.

## OTHER INCOME – NET

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Government grants                             | 88,445           | 31,022           |
| Change in fair value of investment properties | (5,418)          | 61               |
| Interest income                               | 39,932           | 34,460           |
| Rental income                                 | 621              | 2,401            |
| Others  | 2,044            | 1,106            |
|   | <u>125,624</u>   | <u>69,050</u>    |

## EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Depreciation and amortisation expenses                              | 65,446           | 62,960           |
| Depreciation of right-of-use assets                                 | 23,013           | 22,366           |
| Employee benefit expenses   | 352,614          | 337,811          |
| Changes in inventories of finished goods and work in progress       | 105,033          | 174,312          |
| Raw materials used and outsourcing expenses                         | 1,196,817        | 1,348,846        |
| (Reversal of provision)/provision for inventories                   | (87,829)         | 197,899          |
| Rental expenses for short-term leases and leases of low-value asset | 255              | 198              |
| Auditor's remuneration  |                  |                  |
| – Audit services  | 986              | 2,088            |
| – Non-audit services  | 384              | –                |
|   | <u>384</u>       | <u>–</u>         |

Research and development costs recognised as expenses and included in administrative expenses for the year ended 31 December 2024 were HK\$447,646,000 (2023: HK\$421,357,000) and mainly comprised of employee costs of HK\$252,473,000 (2023: HK\$211,213,000) and material costs of HK\$93,834,000 (2023: HK\$98,479,000). No research and development costs were capitalised during the year ended 31 December 2024 (2023: nil).



## FINANCE COSTS – NET

|   | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|---|------------------|------------------|
| Finance costs   |                  |                  |
| – Interest expense on borrowings                          | 18,060           | 23,264           |
| – Interest expense on lease liabilities                   | 2,004            | 695              |
| – Interest expense arose from guarantee deposits received | 18,246           | 18,635           |
|   | <u>38,310</u>    | <u>42,594</u>    |
| Finance income  |                  |                  |
| – Interest income on cash and cash equivalents            | (6,679)          | (11,700)         |
| – Interest income arose from guarantee deposits paid      | (8,416)          | (10,129)         |
|   | <u>(15,095)</u>  | <u>(21,829)</u>  |
| Finance costs – net                                       | <u>23,215</u>    | <u>20,765</u>    |

## TAXATION

|  | 2024<br>HK\$'000 | 2023<br>HK\$'000 |
|--|------------------|------------------|
| Current taxation   |                  |                  |
| – PRC corporate income tax                                     | 10,269           | 65,488           |
| – Withholding tax on distributed profits ( <i>Note (c)</i> )   | 17,540           | 150              |
|  | <u>27,809</u>    | <u>65,638</u>    |
| Deferred taxation  |                  |                  |
| – PRC corporate income tax                                     | 14,242           | (27,265)         |
| – Withholding tax on undistributed profits ( <i>Note (c)</i> ) | 3,039            | 10,927           |
|  | <u>17,281</u>    | <u>(16,338)</u>  |
| Taxation   | <u>45,090</u>    | <u>49,300</u>    |

- (a) No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profit in Hong Kong for the year ended 31 December 2024 (2023: nil).

- (b) In accordance with the relevant regulations of the corporate income tax laws of the PRC, the applicable statutory tax rate of CEC Huada Electronic Design Co., Ltd (“Huada Electronics”) and Shanghai Huahong Integrated Circuit Co., Ltd (“Huahong”) is 25%. Nevertheless, since Huada Electronics qualified as an “Integrated Circuit Design Enterprise in National Planning Layout” and Huahong qualified as a “High and New Technology Enterprise” for the year ended 31 December 2024, Huada Electronics and Huahong have adopted a preferential tax rate of 10% and 15% respectively for the year ended 31 December 2024 (2023: a preferential tax rate of 10% and 15% respectively). Based on management’s self-assessment and their track record of success in obtaining such types of qualifications, it is highly likely that Huada Electronics and Huahong will qualify as an “Integrated Circuit Design Enterprise in National Planning Layout” and as a “High and New Technology Enterprise” respectively after the year ended 31 December 2024 and thus will enjoy a preferential tax rate of 10% and 15% respectively.
- (c) According to the relevant regulations of the corporate income tax laws of the PRC, when the Group’s foreign investment enterprises distribute dividends out of their profits earned from 1 January 2008 onwards to its shareholders outside Mainland China, such dividends are subject to withholding tax at a rate of 10%.
- (d) Reconciliation between the taxation on the Group’s profit before taxation and the theoretical taxation that would arise using the respective applicable statutory tax rates is as follows:

|   | <b>2024</b><br><b>HK\$’000</b> | 2023<br>HK\$’000 |
|---|--------------------------------|------------------|
| Profit before taxation  | <b>633,774</b>                 | 736,665          |
| Taxation calculated at respective applicable statutory tax rates                | <b>158,443</b>                 | 188,732          |
| Effect of tax concession  | <b>(80,897)</b>                | (112,035)        |
| Research and development costs additional deductions                            | <b>(50,173)</b>                | (47,607)         |
| Income not subject to tax   | <b>(5,773)</b>                 | (296)            |
| Expenses not deductible for taxation purposes                                   | <b>1,427</b>                   | 853              |
| Withholding tax on distributed profits and current year’s undistributed profits | <b>20,583</b>                  | 11,077           |
| Tax losses for which no deferred tax asset was recognised                       | –                              | 7,968            |
| Others  | <b>1,480</b>                   | 608              |
| Taxation  | <b>45,090</b>                  | 49,300           |

## PROPOSED DIVIDEND

|                   | <b>2024</b><br><b>HK\$'000</b> | 2023<br>HK\$'000 |
|-------------------|--------------------------------|------------------|
| Proposed dividend | <b>182,688</b>                 | 213,137          |

The Board recommends the payment of a dividend of HK9.0 cents per share for the year ended 31 December 2024 (2023: HK10.5 cents per share). Subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company, the dividend will be distributed on or before 31 July 2025. The proposed dividend of HK\$182,688,000 (2023: HK\$213,137,000), calculated based on the Company's number of shares issued at the date of this announcement, is not recognised as a liability in the consolidated financial statements.

## EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

|  | <b>2024</b>          | 2023          |
|--|----------------------|---------------|
| Profit for the year attributable to owners of the Company (HK\$'000) | <b>587,501</b>       | 686,431       |
| Weighted average number of ordinary shares in issue                  | <b>2,029,872,000</b> | 2,029,872,000 |
| Basic earnings per share (HK cents)                                  | <b>28.94</b>         | 33.82         |

No diluted earnings per share is presented as the Company did not have any potential dilutive ordinary share outstanding.

## TRADE RECEIVABLES

The majority of the Group's sales are with credit terms of 30 days to 180 days. The remaining sales are due immediately after the delivery of goods or provision of services. The ageing analysis of the Group's trade receivables (net of loss allowance for impairment) by invoice date is as follows:

|                                 | <b>2024</b><br><b>HK\$'000</b> | <b>2023</b><br><b>HK\$'000</b> |
|---------------------------------|--------------------------------|--------------------------------|
| Within 30 days                  | <b>120,825</b>                 | 64,782                         |
| 31 days to 60 days              | <b>117,591</b>                 | 94,185                         |
| 61 days to 180 days             | <b>108,846</b>                 | 152,897                        |
| Over 180 days and within 1 year | <b>93</b>                      | 548                            |
| Over 1 year                     | <b>2,811</b>                   | 2,580                          |
|                                 | <hr/>                          | <hr/>                          |
|                                 | <b>350,166</b>                 | 314,992                        |
|                                 | <hr/> <hr/>                    | <hr/> <hr/>                    |

## TRADE PAYABLES

The ageing analysis of the Group's trade payables by invoice date is as follows:

|                    | <b>2024</b><br><b>HK\$'000</b> | <b>2023</b><br><b>HK\$'000</b> |
|--------------------|--------------------------------|--------------------------------|
| Within 30 days     | <b>182,969</b>                 | 158,273                        |
| 31 days to 60 days | <b>130,117</b>                 | 73,971                         |
| Over 60 days       | <b>103,783</b>                 | 158,219                        |
|                    | <hr/>                          | <hr/>                          |
|                    | <b>416,869</b>                 | 390,463                        |
|                    | <hr/> <hr/>                    | <hr/> <hr/>                    |

## **BUSINESS REVIEW**

### **Results overview**

Revenue of the Group for the year ended 31 December 2024 amounted to HK\$2,349.0 million, representing a decrease of 22.2% when comparing with last year. Profit attributable to owners of the Company amounted to HK\$587.5 million, representing a decrease of 14.4% when comparing with last year. Basic earnings per share was HK28.94 cents (2023: HK33.82 cents).

### **Integrated circuits design operation**

The Group's integrated circuits design operation comprises the design of smart cards and secure element chips and the development of application system. Currently, the Group's products are mainly used in the sectors of identity authentication, financial payment, government utilities, telecommunications, Internet of Things and Internet of Vehicles. For the year ended 31 December 2024, the Group obtained 19 new patents, registered 1 new software copyright and 3 new integrated circuits layout designs.

In 2024, global market demand for smart cards and secure element chips was sluggish, competition in both domestic and international markets continued to intensify, and selling prices of smart card and secure element chip products continued to decline.

In 2024, affected by geo-political influences, coupled with the entry of new domestic smart card chips companies into the competition which further intensified market competition, the sales volume of SIM card chips decreased when comparing with last year. Affected by sluggish market demand and customers' inventory depletion, the sales volume of bank card chips decreased when comparing with last year. Due to an increased penetration rate, coupled with the promotion of the use of electronic cards, which reduced the need for reissuance and replacement, the sales volume of third-generation social security card chips decreased when comparing with last year. Benefiting from a small-scale centralised replacement exercise, the sales volume of identity authentication products increased when comparing with last year. Despite the sluggish market demand for security chips, the Group strengthened efforts in expanding the application of security SE chips in the sector of mobile terminals, Internet of Things and Internet of Vehicles, resulting in the sales volume of security SE chips remaining substantially the same as last year. Meanwhile, as new security microcontroller unit chip products are continuously introduced to the market, sales volume of security microcontroller unit chips has gradually increased when comparing with last year. For the year ended 31 December 2024, the Group's total sales volume decreased by 9.7% when comparing with last year.

In 2024, as competition in the industry intensified and the selling prices of the Group's products continued to fall, coupled with the impact of decrease in sales volume of major products such as SIM card chips, bank card chips, social security card chips, etc., the Group's revenue for the year ended 31 December 2024 amounted to HK\$2,349.0 million, representing a decrease of 22.2% when comparing with last year.

Benefiting from effective cost control and a reversal of provision for slow-moving inventories through processing and modification of slow-moving inventories, the overall gross profit margin for the year ended 31 December 2024 has increased when comparing with last year despite decrease in selling prices of smart cards and secure element chips caused by intense market competition.

Selling and marketing costs for the year ended 31 December 2024 amounted to HK\$45.6 million (2023: HK\$79.4 million). The percentage of selling and marketing costs to revenue decreased to 1.9% from 2.6% last year. The decrease was mainly attributable to the effectiveness of the stringent cost control measures implemented by the Group.

Administrative expenses for the year ended 31 December 2024 amounted to HK\$562.7 million, representing an increase of 5.6% when comparing with last year. The increase in administrative expenses was primarily due to an increase in research and development costs during the year. The percentage of administrative expenses to revenue increased to 24.0% from 17.6% last year. The Group continued to implement stringent cost control measures during the year.

Research and development costs for the year ended 31 December 2024 amounted to HK\$447.6 million (2023: HK\$421.4 million). The percentage of research and development costs to revenue was 19.1% (2023: 14.0%). Research and development during the year primarily focused on the research and development of security SE chip products and security microcontroller unit chip products, the continuous enhancement of smart card products' performance, the enhancement of products' security certification level, the research of security chips for use in the Internet of Things and the Internet of Vehicles sector as well as the development of application systems and solutions.

### **Other income**

Government grants recognised as income increased by 185.1% to HK\$88.4 million for the year ended 31 December 2024, resulting from an increase in government grants received for research and development costs incurred by the Group in the year.

### **OUTLOOK**

Looking ahead, the global macroeconomic environment will remain weak and the demand for smart cards will continue to be in a downward cycle. With the entry of new domestic smart card chips companies into competition, the competition in the industry will become increasingly intense and the selling price of smart card chip products will continue to show a downward trend, which will pose challenges to the Group's operations. On the other hand, as information security requirements in various industries continue to increase, and the demand for security in intelligent devices continue to rise, the range of application of security SE chips and security microcontroller unit chips will become more and more extensive in the future, which will bring new market opportunities for the Group. With challenges and opportunities coexisting, the Group will closely monitor application trend changes in both domestic and international markets, intensify efforts to expand potential markets, and dynamically adjust production and sales strategies, so as to provide a wider variety of and more competitive products to better meet customers' needs.

On the other hand, leveraging years of accumulated expertise in security chips design and application technology, the Group will continue to strengthen investment in research and development of security chips in the sector of mobile terminals, Internet of Things and Internet of Vehicles with a market-orientated approach, taking into account the development pace of mobile terminals, Internet of Things and Internet of Vehicles applications, and optimise product mix with technological innovation to strive to meet the needs of customers, thereby creating a sustainable future.

## **FINANCIAL RESOURCES AND LIQUIDITY**

The Group consistently employs a prudent treasury policy and generally finances its working capital requirements through internal resources, and bank and other borrowings. At 31 December 2024, the Group had cash and cash equivalents amounting to HK\$743.0 million, of which 93.4% was denominated in Renminbi, 6.3% in United States dollars and 0.3% in Hong Kong dollars (2023: HK\$1,107.5 million, of which 97.9% was denominated in Renminbi, 1.8% in United States dollars and 0.3% in Hong Kong dollars).

At 31 December 2024, the Group had bank and other borrowings of HK\$378.0 million, all were due within one year and all were denominated in Renminbi (2023: HK\$496.6 million, all were due within one year and all were denominated in Renminbi). Among these borrowings, (i) all were unsecured (2023: all were unsecured), and (ii) all were borrowed at fixed interest rates (2023: all were borrowed at fixed interest rates). At 31 December 2024, committed borrowing facilities available to the Group but not drawn amounted to HK\$983.3 million.

The Group's revenue is mainly denominated in Renminbi and payments are denominated in Renminbi and Hong Kong dollars. The Group will make use of hedging contracts, when appropriate, to hedge the risk of foreign exchange fluctuation arising from its operations.

At 31 December 2024, the Group had net current assets of HK\$1,563.6 million (2023: HK\$1,459.9 million). The gearing ratio of the Group is calculated as net debt divided by total equity and net debt of the Group. At 31 December 2024 and 31 December 2023, the Group was in net cash position.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

At 31 December 2024, the Group did not have any material outstanding capital commitment (2023: nil) for the acquisition of fixed assets and intangible assets. The Group did not have any material contingent liability at 31 December 2024 (2023: nil).

## **EMPLOYEE AND REMUNERATION POLICIES**

At 31 December 2024, the Group had approximately 470 employees, the majority of whom were based in Mainland China. Employee benefit expenses for the year were HK\$352.6 million.

The Group recognises the importance of high calibre and competent employees and has a strict recruitment policy and performance appraisal scheme. Remuneration policies of employee are largely in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. Bonuses and other merit payments are linked with the performance of the Group and of the individuals as incentive to optimise performance.

The Group's employee training is divided into three levels: corporate level, departmental level and individual level. Corporate level training focuses mainly on cross-departmental and internal all-purpose trainings, such as new employee trainings, and quality and safety requirements trainings. Departmental level training focuses mainly on enhancing knowledge and skills in departmental professional areas. Trainings for individuals act as a useful supplement to the two types of training above.

## **AUDIT COMMITTEE**

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

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares (including the sale of treasury shares) and the Company had not redeemed any of its shares during the year ended 31 December 2024.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with all the applicable code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024, with the exception of code provision C.1.6 of the CG Code. Under the code provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Qiu Hongsheng, an independent non-executive director of the Company, was unable to attend the special general meeting and the annual general meeting of the Company held on 28 June 2024 due to other ad hoc engagements.



## **SCOPE OF WORK OF FORVIS MAZARS CPA LIMITED**

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

## **PUBLICATION OF ANNUAL REPORT**

The 2024 annual report will be published on the website of the Company ([www.cecht.com.cn](http://www.cecht.com.cn)) and on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) in due course.

## **CHANGE OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

The Board announces that with effect from 1 April 2025, the Company's Hong Kong branch share registrar and transfer office will be changed to:

Tricor Investor Services Limited  
17th floor, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

Telephone : (852) 2980 1333  
Facsimile : (852) 2810 8185

Application for registration of transfer of shares of the Company should be lodged with Tricor Investor Services Limited with effect from 1 April 2025. Share certificates uncollected after 4:30 p.m. on 31 March 2025 shall be collected from Tricor Investor Services Limited from 1 April 2025 onwards.

By Order of the Board  
**China Electronics Huada Technology Company Limited**  
**Sun Jie**  
*Chairman*

Hong Kong, 28 March 2025

*As at the date of this announcement, the Board comprises two Non-executive Directors, namely Mr. Sun Jie (Chairman) and Mr. Fu Dan, two Executive Directors, namely Mr. Chang Feng (Deputy Chairman and Managing Director) and Mr. Wang Jian, and four Independent Non-executive Directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng, Mr. Chow Chan Lum and Ms. Huang Yaping.*