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SINO ICT HOLDINGS LIMITED

芯成科技控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00365)

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

ANNUAL RESULTS

The board (the “Board”) of directors (the “Directors”) of Sino ICT Holdings Limited (the “Company”) hereby announces the audited annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

		Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
	<i>Notes</i>		
Continuing operations			
Revenue	4	247,040	211,795
Cost of sales		<u>(185,655)</u>	<u>(150,424)</u>
Gross profit		61,385	61,371
Other income	6	35,322	23,276
Other gains, net	7	3,607	1,196
Distribution costs		(39,386)	(34,929)
Administrative expenses		(90,973)	(97,311)
(Provision for)/Reversal of expected credit losses (“ECL”) allowance of trade and bills receivables		<u>(36)</u>	<u>326</u>
Operating loss		<u>(30,081)</u>	<u>(46,071)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	<i>Notes</i>	Year ended 31 December 2024 <i>HK\$'000</i>	Year ended 31 December 2023 <i>HK\$'000</i>
Finance income	8	1,474	2,506
Finance costs	8	(27,400)	(24,355)
Finance costs, net	8	(25,926)	(21,849)
Share of results of associates		(5,301)	(4,033)
Share of result of a joint venture		244	1,203
Loss before income tax		(61,064)	(70,750)
Income tax expense	9	(186)	(231)
Loss for the year from continuing operations		(61,250)	(70,981)
Discontinued operation			
Loss for the year from discontinued operation	10	(6,812)	(35,831)
Loss for the year		(68,062)	(106,812)
Other comprehensive income/(expense) arising from continuing operations			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of property, plant and equipment upon transfer to investment properties		—	13,661
Deferred income tax on revaluation of property, plant and equipment upon transfer to investment properties		—	(3,415)
		—	10,246
<i>Item that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		80	(2,719)
		80	7,527
Other comprehensive expense arising from discontinued operation			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(674)	(418)
Total comprehensive expense for the year, net of tax		(68,656)	(99,703)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
<i>Note</i>		
Loss for the year attributable to:		
Owners of the Company		
– Continuing operations	(29,717)	(37,786)
– Discontinued operation	(4,700)	(24,723)
	<u>(34,417)</u>	<u>(62,509)</u>
Non-controlling interests		
– Continuing operations	(31,533)	(33,195)
– Discontinued operation	(2,112)	(11,108)
	<u>(33,645)</u>	<u>(44,303)</u>
	<u><u>(68,062)</u></u>	<u><u>(106,812)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(35,619)	(54,982)
Non-controlling interests	(33,037)	(44,721)
	<u>(68,656)</u>	<u>(99,703)</u>
	HK cents	HK cents
Loss per share for loss attributable to owners of the Company		
<i>11</i>		
Basic and diluted		
– Continuing operations	(2.04)	(2.60)
– Discontinued operation	(0.32)	(1.70)
	<u>(2.36)</u>	<u>(4.30)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Notes	As at 31 December 2024 HK\$'000	As at 31 December 2023 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		364,370	418,929
Investment properties		57,187	52,079
Right-of-use assets		23,207	23,341
Intangible assets		14,452	17,309
Interests in associates		3,394	8,363
Interest in a joint venture		10,458	10,402
Financial assets at fair value through profit or loss ("FVTPL")		24,317	16,288
Deferred income tax assets		2,965	3,646
Other receivables	13	1,047	4,176
		<u>501,397</u>	<u>554,533</u>
Current assets			
Inventories		21,747	24,080
Trade and other receivables	13	188,835	185,944
Financial assets at FVTPL		132	111
Cash and cash equivalents		205,301	183,169
		<u>416,015</u>	<u>393,304</u>
Assets classified as held for sale	14	6,434	12,665
		<u>422,449</u>	<u>405,969</u>
Total assets		<u>923,846</u>	<u>960,502</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		145,500	145,500
Share premium		95,240	95,240
Other reserves		32,470	33,672
Accumulated losses		(47,084)	(12,667)
Equity attributable to owners of the Company		<u>226,126</u>	<u>261,745</u>
Non-controlling interests		(41,205)	(8,168)
Total equity		<u>184,921</u>	<u>253,577</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
	<i>Note</i>		
Non-current liabilities			
Bank and other borrowings		334,801	365,135
Lease liabilities		2,792	706
Deferred income		454	617
Deferred income tax liabilities		11,922	11,409
Long service payment obligations		308	308
		<u>350,277</u>	<u>378,175</u>
Current liabilities			
Trade and other payables	15	177,255	234,887
Contract liabilities		53,568	7,563
Bank and other borrowings		155,695	75,212
Lease liabilities		1,631	8,861
Income tax payables		499	2,227
		<u>388,648</u>	<u>328,750</u>
Total liabilities		<u><u>738,925</u></u>	<u><u>706,925</u></u>
Total equity and liabilities		<u><u>923,846</u></u>	<u><u>960,502</u></u>
Net current assets		<u><u>33,801</u></u>	<u><u>77,219</u></u>
Total assets less current liabilities		<u><u>535,198</u></u>	<u><u>631,752</u></u>

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its address of the principal place of business is Suite 1101 & 1112, the Gateway Tower 1, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In the opinion of the directors of the Company, the immediate holding company of the Company is Sino Xin Ding Limited, a company incorporated in Hong Kong; and the ultimate holding company of the Company is UNIC Capital Management Co., Ltd.* (中青芯鑫 (蘇州工業園區) 資產管理有限責任公司), a company established in the People's Republic of China (the "PRC").

The Group is principally engaged in: (i) Surface Mount Technology ("SMT") equipment manufacturing; and (ii) sales of electricity and provision of electricity spot market transaction and auxiliary services ("Energy Business") in the PRC. Manufacturing and sales of advanced domestic radar hardware and development, application and integration of intelligent software ("Radar Business") was discontinued during years ended 31 December 2023 and 2024, details of which are set out in note 10.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The consolidated financial statements for the year ended 31 December 2024 were approved for issue by the Board on 31 March 2025.

* *For identification purposes only*

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

3. ADOPTION OF NEW AND AMENDED HKFRSs

(a) Amended HKFRSs that are effective for annual periods beginning on 1 January 2024

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

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

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

3. ADOPTION OF NEW AND AMENDED HKFRSs (CONTINUED)

(b) Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The directors of the Company anticipate that all of the new and amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of pronouncement. The new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

4. REVENUE

The Group's principal activities are disclosed in note 1 to the consolidated financial statements. The Group's revenue from continuing operations recognised during the year is as follows:

	Year ended 31 December 2024 <i>HK\$'000</i>	Year ended 31 December 2023 <i>HK\$'000</i>
Revenue from contracts with customers		
Production and sales of industrial products	229,776	205,185
Sales of electricity	17,264	6,610
	<u>247,040</u>	<u>211,795</u>
Timing of revenue recognition		
At a point in time	<u>247,040</u>	<u>211,795</u>
Geographical markets		
The PRC, excluding Hong Kong	238,133	207,811
Hong Kong	8,907	3,984
	<u>247,040</u>	<u>211,795</u>

5. SEGMENT INFORMATION

The CODM has identified the operating segments around differences in products and services.

During the years ended 31 December 2024 and 2023, Radar Business was discontinued. The segment information reported below does not included any amounts for this discontinued operation, which is described in more detail in note 10.

	Production and sales of industrial products HK\$'000	Energy Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Year ended 31 December 2024				
Reportable segment revenue				
Revenue from external customers from continuing operations	<u>229,776</u>	<u>17,264</u>	<u>—</u>	<u>247,040</u>
Segment gross profit/(loss)	95,215	(33,830)	—	61,385
Other income	32,143	104	3,075	35,322
Other gains/(losses), net	5,047	—	(1,440)	3,607
Distribution costs	(39,386)	—	—	(39,386)
Administrative expenses	(68,513)	(7,773)	(14,687)	(90,973)
(Provision for)/Reversal of ECL allowance of trade and bills receivables	(39)	3	—	(36)
Finance income	726	7	741	1,474
Finance costs	(7,327)	(22,869)	2,796	(27,400)
Share of results of associates	—	—	(5,301)	(5,301)
Share of result of a joint venture	—	—	244	244
Profit/(Loss) before income tax from continuing operations	<u>17,866</u>	<u>(64,358)</u>	<u>(14,572)</u>	<u>(61,064)</u>
As at 31 December 2024				
Reportable segment assets	489,207	372,476	62,163	923,846
Interests in associates	—	—	3,394	3,394
Interest in a joint venture	—	—	10,458	10,458
Additions to non-current segment assets (other than financial instruments and deferred income tax assets) during the year	11,968	7,714	5,263	24,945
Assets classified as held for sale	<u>—</u>	<u>—</u>	<u>6,434</u>	<u>6,434</u>
Reportable segment liabilities	<u>401,673</u>	<u>318,097</u>	<u>19,155</u>	<u>738,925</u>

5. SEGMENT INFORMATION (CONTINUED)

	Production and sales of industrial products <i>HK\$'000</i>	Energy Business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 December 2023				
Reportable segment revenue				
Revenue from external customers from continuing operations	205,185	6,610	—	211,795
Segment gross profit/(loss)	83,151	(21,780)	—	61,371
Other income	18,635	—	4,641	23,276
Other (losses)/gains, net	(1,074)	1	2,269	1,196
Distribution costs	(34,929)	—	—	(34,929)
Administrative expenses	(46,299)	(26,908)	(24,104)	(97,311)
Reversal of/(Provision for) ECL allowance of trade and bills receivables	329	(3)	—	326
Finance income	1,269	50	1,187	2,506
Finance costs	(4,947)	(19,105)	(303)	(24,355)
Share of results of associates	—	—	(4,033)	(4,033)
Share of result of a joint venture	—	—	1,203	1,203
Profit/(Loss) before income tax from continuing operations	16,135	(67,745)	(19,140)	(70,750)
As at 31 December 2023				
Reportable segment assets	496,143	405,019	59,340	960,502
Interests in associates	—	—	8,363	8,363
Interest in a joint venture	—	—	10,402	10,402
Additions to non-current segment assets (other than financial instruments and deferred income tax assets) during the year	6,210	32,428	69	38,707
Assets classified as held for sale	—	—	12,665	12,665
Reportable segment liabilities	379,971	325,320	1,634	706,925

6. OTHER INCOME

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Continuing operations		
Rental income from		
– investment properties	19,295	11,797
– motor vehicle included in property, plant and equipment	666	561
– properties included in property, plant and equipment	97	—
– right-of-use assets	4,608	4,227
	24,666	16,585
Government grants	6,499	5,173
Agency fee income	258	922
Consultancy fee income	3,899	—
Income from provision of administrative services	—	408
Income from sales of scraps	—	152
Others	—	36
	35,322	23,276

7. OTHER GAINS, NET

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Continuing operations		
Exchange losses, net	(1,358)	(2,220)
Compensation income	201	124
Unrealised gains on listed equity securities	21	26
Unrealised gains/(losses) on unlisted equity securities, net	8,440	(2,477)
(Loss)/Gain on fair value changes in investment properties	(3,615)	5,908
Loss on disposal of property, plant and equipment	(118)	(214)
Gain on early termination of leases	8	4
Others	28	45
	3,607	1,196

8. FINANCE COSTS, NET

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Continuing operations		
Finance income		
Interest income from bank deposits	1,474	2,506
Finance costs		
Interest expenses on bank borrowings	5,376	4,954
Interest expenses on other borrowings	21,849	19,066
Finance charges on lease liabilities	175	327
Net interest expense on LSP obligations	—	8
	27,400	24,355
Finance costs, net	(25,926)	(21,849)

9. INCOME TAX EXPENSE

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
Current tax		
– PRC Enterprise Income Tax	848	231
Over-provision in respect of prior years	(1,822)	—
	(974)	231
Deferred income tax	1,160	—
Income tax expense	186	231

10. DISCONTINUED OPERATION

The loss for the year from discontinued operation is set out below.

	Year ended 31 December 2024 <i>HK\$'000</i>	Year ended 31 December 2023 <i>HK\$'000</i>
Revenue	—	295
Cost of sales	—	(131)
Gross profit	—	164
Other gains/(losses), net	13	(466)
Distribution costs	—	(2)
Administrative expenses	(483)	(20,613)
Reversal of expected credit losses (“ECL”) allowance of trade and bills receivables	70	—
Impairment losses on equipment and intangible assets	(3,278)	(8,567)
Write-down of inventories	(3,134)	(6,162)
Operating loss from discontinued operation	(6,812)	(35,646)
Finance income	—	19
Finance costs	—	(204)
Finance costs, net	—	(185)
Loss before income tax from discontinued operation	(6,812)	(35,831)
Income tax expense	—	—
Loss for the year from discontinued operation	(6,812)	(35,831)
Loss for the year attributable to:		
Owners of the Company	(4,700)	(24,723)
Non-controlling interests	(2,112)	(11,108)
	(6,812)	(35,831)

11. LOSS PER SHARE

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

	Year ended 31 December 2024 HK\$'000	Year ended 31 December 2023 HK\$'000
<u>Loss</u>		
Loss for the purpose of basic and diluted loss per share		
– Continuing operations	29,717	37,786
– Discontinued operation	4,700	24,723
	<u>34,417</u>	<u>62,509</u>
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>in thousands</i>)	1,455,000	1,455,000
Loss per share for loss attributable to owners of the Company ("HK cents")		
Basic and diluted		
– Continuing operations	(2.04)	(2.60)
– Discontinued operation	(0.32)	(1.70)
	<u>(2.36)</u>	<u>(4.30)</u>

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2024 and 2023.

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

13. TRADE AND OTHER RECEIVABLES

	As at 31 December 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
Non-current		
Deposits	1,047	4,176
	1,047	4,176
Current		
Trade receivables	61,748	53,638
Bills receivables	10,388	4,689
Trade and bills receivables, gross	72,136	58,327
Less: ECL allowance	(769)	(3,085)
Trade and bills receivables, net	71,367	55,242
Prepayments	1,329	1,661
Tax reserve certificate	1,807	1,807
Amount due from a non-controlling shareholder	25,180	25,180
Receivables from agency services	63,718	86,474
Deposits and other receivables	902	2,615
Other tax recoverable	24,532	12,965
	188,835	185,944
	189,882	190,120

13. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group allows an average credit period of 30 - 90 (2023: 30 - 90) days to its customers, except for certain trade receivables are on acceptance bills or documents against payment. The ageing analysis of the trade and bills receivables is as follows:

	As at 31 December 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
0 – 90 days	58,476	50,359
91 – 180 days	11,779	2,807
Over 180 days	1,881	5,161
	<u>72,136</u>	<u>58,327</u>

14. ASSETS CLASSIFIED AS HELD FOR SALE

As disclosed in note 10, the Group is seeking to dispose certain assets of the Radar Business. Certain equipment, intangible assets and inventories of the Radar Business amounted to HK\$2,127,000 (2023: HK\$4,576,000), HK\$1,062,000 (2023: HK\$1,964,000) and HK\$3,245,000 (2023: HK\$6,125,000), respectively are classified as “Assets classified as held for sale” as at 31 December 2024 and 2023.

15. TRADE AND OTHER PAYABLES

	As at 31 December 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
Trade payables	49,634	24,850
Salaries payables	30,153	25,570
Other taxes payables	13,803	28,413
Payables to suppliers upon agency services	62,718	92,306
Payable to suppliers upon equipment leases	7,913	41,258
Payables to suppliers for construction in progress	10,186	16,634
Accruals and other payables	2,848	5,856
	<u>177,255</u>	<u>234,887</u>

The Group was granted by its suppliers' credit periods ranging from 30 - 60 (2023: 30 - 60) days. Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	As at 31 December 2024 <i>HK\$'000</i>	As at 31 December 2023 <i>HK\$'000</i>
0 – 90 days	43,702	24,091
91 – 120 days	253	7
Over 120 days	5,679	752
	<u>49,634</u>	<u>24,850</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Looking back on 2024, the global GDP growth rate was approximately 3.2%, indicating a stable recovery trend. The U.S. experienced robust domestic demand, achieving a GDP growth of 2.8%, while China achieved 5% GDP growth through interest rate cuts and fiscal stimulus policies. As inflationary pressures eased, many countries shifted from tightening to easing policies. However, despite gradual stabilisation of the global economy, structural issues such as rising unemployment rates and geopolitical uncertainties persist, with growing trade protectionism also affecting global supply chains. Under such economic conditions, the Group adopted a stable development policy to stabilise the operation of its SMT and semiconductor equipment manufacturing and related businesses, while continuing to develop its energy business.

For the year ended 31 December 2024, the Group recorded a total revenue of approximately HK\$247,040,000, an increase of about HK\$35,245,000 or 16.64% compared to the same period in 2023. This increase was mainly due to the growth in revenue from the SMT and semiconductor equipment manufacturing and related business and the energy business. Among them, the revenue from the SMT and semiconductor equipment manufacturing and related business segment was approximately HK\$229,776,000, representing a year-on-year increase of approximately HK\$24,591,000. The energy business revenue was approximately HK\$17,264,000, marking a year-on-year increase of HK\$10,654,000.

SMT and Semiconductor Equipment and Related Businesses

SMT and semiconductor equipment manufacturing and related businesses is the core business of the Group and the main source of revenue for the Group. In 2024, the performance of the SMT and semiconductor equipment manufacturing and related businesses remained stable. For the year ended 31 December 2024, revenue from SMT and semiconductor equipment manufacturing and related businesses reached approximately HK\$229,776,000, an increase of approximately 11.98% year-on-year compared to approximately HK\$205,185,000 in 2023. Segment gross profit was approximately HK\$95,215,000, an increase of approximately 14.51% year-on-year compared to approximately HK\$83,151,000 in 2023, with a gross profit margin of 41.44%, up by 0.92 percentage points year-on-year.

In 2024, the Purchasing Managers' Index (PMI) for manufacturing industries stabilised, with an average value of 49.8%, surpassing the 50% expansion threshold for three consecutive months in the fourth quarter. Corporate production accelerated, and economic prosperity continued to recover, achieving overall growth levels surpassing those in 2023. SMT is an electronic assembly technology that does not require the drilling of holes in the pads, but rather directly affixes and welds surface-mounted components onto the pad surface of the printed circuit boards, and then electrically connects them to the conductor graphics. The technology is suitable for high-density, highly integrated micro-device welding assembly process. Its upstream is mechanical parts, temperature control modules, precision screw visual system, motors, guide rails, computers, sensors and other industries, and its downstream consumer electronics, automotive electronics and integrated circuit industry including colour TVs, notebooks and mobile phones.

In 2024, the total shipment of smartphones in the domestic market reached approximately 286 million units, reflecting a year-on-year growth of 5.6%. Looking ahead to 2025, driven by nationwide government consumption subsidy policies, the market is expected to maintain its growth trajectory. According to data from the well-known industry research institution CINNO Research, during the first three quarters of 2024, the penetration rate of Mini LED TVs in the Mainland market surpassed 10%, with sales increasing 4.4 times year-on-year. It is projected that in 2025, the sales of Mini LED TVs in the Mainland market will continue to grow rapidly, with the penetration rate potentially exceeding 20%. Furthermore, according to the recent report by the tech industry analysis agency TrendForce (集邦諮詢), the production value of Micro LED chips is expected to grow rapidly to RMB3.559 billion by 2028, primarily benefiting from the maturity of full-color AR glasses solutions and the concretisation of demand for automotive displays. Additionally, from 2024 to 2026, the Chinese PCB market is expected to rebound and grow, with the market size surpassing RMB400 billion by 2026, reflecting a growth rate exceeding 5%.

In 2024, the production and sales of automobiles in mainland China reached a cumulative total of 31.282 million and 31.436 million units, respectively, reflecting year-on-year growth of 3.7% and 4.5%, setting new records. During the year, the sales of new energy vehicles in mainland China increased by 39.7% year-on-year, while exports grew by 6.7%. The number of public charging stations also continued to grow. According to data released by the China Association of Automobile Manufacturers, the average monthly addition of public charging stations reached approximately 71,000 units during the year. Additionally, data from the China Charging Alliance shows that in December 2024, the total national charging volume reached approximately 5.91 billion kWh, representing a year-on-year growth of 55.2% and a month-on-month growth of 13.8%.

The total number of 5G base stations also showed year-on-year growth. By the end of 2024, the total number of mobile phone base stations nationwide reached 12.65 million, market share increased to 33.6%. Mobile IoT (Internet of Things) users also developed rapidly, with a total of 2.656 billion users in 2024, accounting for 59.7% of mobile network terminal connections, demonstrating the widespread adoption and rapid development of IoT applications. Globally, the size of the industrial IoT market reached US\$425.5 billion, and it is projected to grow at a rapid compound annual growth rate of 24.3% over the next five years. The Asia-Pacific region is a major contributor to the market, with manufacturing as the core industry driving its development.

The global semiconductor industry also demonstrated strong growth momentum in 2024, with sales reaching historic highs. According to data from the Semiconductor Industry Association, global semiconductor sales grew by 19.1% in 2024. Data from Gartner indicated that global semiconductor revenue grew by 18.1%. It is anticipated that the industry will continue to achieve double-digit growth in 2025, with memory and AI semiconductors being the primary growth drivers. In 2024, the localisation rate of China's semiconductor equipment reached 13.6%, with equipment production value exceeding US\$5 billion. The localisation rate of semiconductor equipment in China continues to climb, and the market size is steadily expanding.

Under the current environment of accelerated evolution of cloud technology, 5G network development, automotive electronics, big data, artificial intelligence, the sharing economy, Industry 4.0, and IoT, the PCB industry, as the “mother of electronic products,” serves as a foundational force within the electronics industry chain. SMT technology, as a means to improve the efficiency and density of PCB assembly, enables electronic products to become smaller, lighter, and more powerful. It is poised to play an increasingly important role in the future of electronics manufacturing. In 2023, China's SMT placement machine industry produced 43,437 units, a year-on-year increase of 6.9%. In 2024, industry production reached 46,569 units, representing a year-on-year increase of 7.2%. Between 2017 and 2023, the market size of China's SMT placement machine industry grew from RMB17.717 billion to RMB32.81 billion. In 2024, the industry's market size reached approximately RMB36.642 billion. The Group remains optimistic about the future prospects of the SMT industry.

In line with the market development, the Group has been committed to the independent R&D of SMT and semiconductor equipment. Our products adopt humanised design with features of low-cost operation, energy saving and environmental protection. Therefore, our new equipment has always been widely recognised by the market and praised by the industry. In 2024, the Group launched nitrogen wave soldering, rapid curing oven, selective wave soldering module (SUNFLOW 3/450II), MINI wave soldering, eutectic bonding machine, IC bonding machine (CBD2200 EVO) and pre-sintering bonding machine. As of December 31, 2024, the Group owned a total of 61 design patents.

In terms of marketing, the Group has always adhered to the “Go Global” strategy, actively participated in large exhibitions at home and abroad to introduce the performance and features of its major products to customers by experienced senior technological engineers. In 2024, the Company participated in some major industry exhibitions including the 2024 Productronica China, CICD 2024 and NEPCON China 2024. Such movements have further deepened our influence in the industry.

Energy Business

In July 2021, the National Energy Administration (NEA) and the Development and Reform Commission (DRC) issued the “Guiding Opinions on Accelerating the Development of New Type of Energy Storage”* (《關於加快推動新型儲能發展的指導意見》), which set out China’s energy storage scale development target - 30 million kilowatts (kW) anchored in 2025 as the basic scale target, with a view to realising a fullscale marketisation in 2030; emphasised the co-ordination of comprehensive development of energy storage on the power side, the grid side and the user side, and made the development of new energy storage an important measure for the construction of a new power system, as well as a key support for carbon peaking and carbon neutralisation. The development of new energy storage is regarded as an important measure for the construction of a new power system and a key support for carbon peaking and carbon neutrality. Since then, the central and local governments have issued a number of policies to encourage the construction and development of energy storage. By 2024, “Developing New Energy Storage” was included in the “Government Work Report” for the first time, demonstrating the country’s strong emphasis on energy storage technology. In May 2024, the State Council issued the “2024-2025 Energy Conservation and Carbon Reduction Action Plan,” (《2024-2025年節能降碳行動方案》) raising the “14th Five-Year” new energy storage development target from the previous 30GW to 40GW, reflecting the nation’s expectation for the future growth of the energy storage sector. In November 2024, the “Energy Law of the People’s Republic of China” was released and will come into effect on 1 January 2025. Regarding energy storage, the law stipulates that the nation will rationally allocate and actively and orderly develop pumped storage power stations while promoting the high-quality development of new energy storage and optimising its role in adjusting the power system.

* *For identification purpose only*

Additionally, eight government departments, including the Ministry of Industry and Information Technology, jointly issued the “Action Plan for High-Quality Development of New Energy Storage Manufacturing” (《新型儲能製造業高質量發展行動方案》)* aiming to enhance storage technology innovation capabilities, expand application scenarios, and strengthen industrial chain collaboration. Local governments, including Guangdong, Zhejiang, and Henan provinces, actively responded by clearly mandating that new energy installations be equipped with storage facilities and increasing storage duration requirements to promote efficient use of new energy. These local governments also introduced various subsidy policies, including financial support, electricity price discounts, and tax incentives, to encourage the development and application of energy storage technology. By 2024, China’s energy storage industry demonstrated rapid growth and technological innovation. The cumulative installed capacity of new energy storage projects in China reached 73.76 million kW by the end of 2024, a 20-fold increase compared to the end of the “13th Five-Year Plan” period. The application of storage technology is gradually achieving comprehensive coverage from the grid side to the user side and playing a significant role in new energy generation, power peak-shaving, and grid stabilisation.

The Company also established a joint venture company, Sino New Energy Utilisation (Hengqin) Technology Co., Ltd. (中鑫電聯(珠海橫琴)能源科技有限公司)(“Sino New Energy”) and seized market opportunity by tapping in the grid-side energy storage market, built and operated large scale independent energy storage power stations with dual regulation functions such as frequency regulation and peak regulation to explore new sources of profitability for the Group. In March 2023, the He Rong Power Station in Datong City, Shanxi Province, which was designed, invested, constructed and operated by Sino New Energy, was successfully completed. It was successfully connected to the grid in May of the same year and was included in the unified dispatch management of the Shanxi Provincial Power Grid. With a planned total capacity of 500MW/1,000MWh, the He Rong Power Station can participate in spot electricity trading as an independent market entity. By the end of 2023, the power station had been put into commercial operation, however, due to the longer cycle of the energy storage business and the higher cost of investment in equipment infrastructure and other costs, the business is still at the stage of development and growth and has yet to break even at the present time. For the year ended 31 December 2024, the Group’s energy business revenue reached approximately HK\$17,264,000, an increase of approximately HK\$10,654,000 year-on-year.

* For identification purpose only

FINANCIAL REVIEW

Revenue

In 2024, the Group recorded a total revenue of approximately HK\$247,040,000. An analysis of the revenue by business segments is as follows:

	Year ended 31 December 2024 <i>HK\$'000</i>	Year ended 31 December 2023 <i>HK\$'000</i>
SMT equipment manufacturing and related business	229,776	205,185
Energy Business	17,264	6,610
Total	247,040	211,795

Other income

During the year, the Group recorded other income of approximately HK\$35,322,000, an increase of HK\$12,046,000 year-on-year. This was mainly due to the increase in property rental income.

Distribution costs

During the year, the Group recorded distribution costs of approximately HK\$39,386,000, an increase of 12.76% over the same period last year, mainly due to the increase of promotion fee, shipping and commission costs that increased with revenue.

Administrative expenses

During the year, administrative expenses amounted to approximately HK\$90,973,000, a decrease of 6.51% as compared to the same period last year, mainly because of the termination of Radar Business which reduced labour cost and depreciation.

FINANCIAL REVIEW (CONTINUED)

Finance costs, net

During the year, net finance expenses amounted to approximately HK\$25,926,000, an increase of HK\$4,077,000 as compared to the same period last year, mainly due to the increase in interest expenses.

Loss for the year

Based on the above, the loss attributable to owners of the Company for the year was approximately HK\$34,417,000, a decrease of HK\$28,092,000 compared to the same period last year.

Earnings/(Loss) before interest, tax, depreciation and amortisation

The following table illustrates the Group's earnings before interest, tax, depreciation and amortisation for the respective years. The Group's earnings before interest, tax, depreciation and amortisation ratio this year was approximately 18.47%.

	Year ended 31 December 2024 <i>HK\$'000</i>	Year ended 31 December 2023 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	(34,417)	(62,509)
Finance costs, net	25,926	21,849
Income tax expense	186	231
Depreciation and amortisation	53,921	54,098
Earnings before interest, tax, depreciation and amortisation	45,616	13,669

Liquidity, financial resources and gearing ratio

The Group has maintained sufficient operating capital. As at 31 December 2024, the current assets of the Group amounted to approximately HK\$422,449,000, and the liquidity ratio was maintained at about 108.7%, which was sufficient to fulfill the day-to-day operation of the Group.

FINANCIAL REVIEW (CONTINUED)

Operating capital management

As at 31 December 2024, the Group held approximately HK\$205,301,000 in cash and cash equivalents. This represents an increase of HK\$22,132,000 compared to approximately HK\$183,169,000 at the beginning of the year. The Group's average inventory turnover days were approximately 44 days, a decrease of 13 days year-on-year (31 December 2023: 57 days); the average accounts receivable turnover days were approximately 95 days, a decrease of 13 day year-on-year (31 December 2023: 108 days); the average accounts payable turnover days were approximately 72 days, an increase of 23 days year-on-year (31 December 2023: 49 days).

Capital expenditure on property, plant and equipment

During the year, the Group's total capital expenditure amounted to approximately HK\$5,543,000. Of the capital expenditure, approximately HK\$45,000 was spent on the purchase of machinery and equipment, approximately HK\$3,549,000 was spent on the furniture, fixtures and property decoration, approximately HK\$1,552,000 was spent on the purchase of properties, and approximately HK\$397,000 was spent on construction in progress.

Charges on the Group's assets

As at 31 December 2024, the Group's banking facilities (including its import/export loan, letter of credit, documentary credit, trust receipt and bank borrowings) were secured by:

A first legal charge on certain of the Group's land and properties, which had an aggregate net carrying value at the balance sheet date of approximately HK\$78,674,000.

Equity and liabilities

As at 31 December 2024, the net assets of the owners of the Company amounted to approximately HK\$226,126,000. This represents a decrease of approximately 13.61% as compared with that as of 31 December 2023, mainly attributed to loss for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Operational risk

The Group is exposed to operational risk in relation to each business segment. To manage operational risk, the management of each business segment is responsible for monitoring the operation and assessing operational risk of their respective business segments. They are responsible for implementing the Group's risk management policies and procedures, and shall report any irregularities in connection with the operation of the projects to the Directors for guidance.

The Group emphasises on ethical value and prevention of fraud and bribery, and has established a whistleblower program, including communication with other departments, business segments and units to report any irregularities. In this regard, the Directors consider that the Group's operational risk is effectively mitigated.

Financial risk

The Group is exposed to credit risk, liquidity risk and foreign exchange risk.

Credit risk

In order to minimise credit risk, the Directors closely monitor the overall level of credit exposure and the management is responsible for the determination of credit approvals and monitoring the implementation of the collection procedure to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses have been made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk has been significantly reduced.

Liquidity risk

The Directors have built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In this regard, the Directors consider that the Group's liquidity risk has been effectively managed.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency risks as its certain business, assets and liabilities are denominated in Renminbi, Hong Kong dollars and United States dollars. During the year, the Group did not utilise any financial instruments for hedging purposes, and the Group will continue to closely monitor its foreign exchange risk associated to the currencies, and will take appropriate hedging measures when necessary.

PURCHASE, SALE OR REDEMPTION OR THE COMPANY'S LISTED SECURITIES

The Company or any of its subsidiaries had not purchased, redeemed or sold any of the Company's listed securities during the year.

DIVIDENDS

The Board did not recommend a final dividend for the year ended 31 December 2024 (2023: nil).

HUMAN RESOURCES

As at 31 December 2024, the Group employed approximately 314 full-time employees and workers in Mainland China, and employed approximately 23 employees in Hong Kong. The Group continues to maintain and enhance the capability of its employees by providing sufficient regular training to them. The Group remunerates its employees based on the industry's practice. In Mainland China, the Group provides employee benefits and bonuses to its employees in accordance with the prevailing labour law. In Hong Kong, the Group provides staff benefits including retirement scheme and performance related bonuses.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the importance of good corporate governance practices and procedures and regards a pre-eminent Board, sound internal controls and accountability to all shareholders as the core elements of its corporate governance principles. The Company endeavours to ensure that its businesses are conducted in accordance with rules and regulations, and applicable codes and standards. The Company has adopted the Code Provisions of the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules.

The Board periodically reviews the corporate governance practices of the Company to ensure its continuous compliance with the Code. The Company was in compliance with the Code for the year ended 31 December 2024.

AUDIT COMMITTEE

The Audit Committee of the Company has been established by the requirements of the Code for the purpose of reviewing and monitoring the internal control and financial reporting matters of the Group, including reviewing the annual results for the year ended 31 December 2024. The Audit Committee comprises one non-executive Director and two independent non-executive Directors of the Company and is chaired by an independent non-executive Director.

SCOPE OF WORK OF AUDITOR OF THE COMPANY

The figures in respect of the Group's consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Company's auditor, Grant Thornton Hong Kong Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year ended 31 December 2024. The work performed by Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton Hong Kong Limited in this results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. Having made specific enquiries of all Directors, the Company confirmed that they had complied with the required standard as set out in the Model Code for the year.

PUBLIC FLOAT

Based on the information that is publicly available to the Company as at the date of this announcement and within the knowledge of the Directors, the Company's securities have a sufficient public float as required under the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.sino-ict.com). The annual report of the Group for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

CAUTION STATEMENT

This announcement contains forward-looking statements regarding the objectives and expectations of the Group with respect to its opportunities and business prospects. Such forward-looking statements do not constitute guarantees of future performance of the Group and are subject to factors that could cause the Company's actual results, plans and objectives to differ materially from those expressed in the forward-looking statements. These factors include, but not limited to, general industry and economic conditions, shifts in customer demands, and changes in government policies. The Group undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

By order of the Board of
Sino ICT Holdings Limited
Yuan I-Pei
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the Company's directors are Mr. Yuan I-Pei and Mr. Xia Yuan as Executive Directors; Mr. Meng Deqing and Ms. Bai Yu as Non-executive Directors; and Mr. Wang Yanxin, Mr. Cui Yuzhi, Mr. Bao Yi and Mr. Ping Fan as Independent Non-executive Directors.