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## 中國儲能科技發展有限公司

CHINA ENERGY STORAGE TECHNOLOGY DEVELOPMENT LIMITED

(formerly known as Link-Asia International MedTech Group Limited 環亞國際醫療科技集團有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1143)

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

The Board of Directors (the “**Board**”) of China Energy Storage Technology Development Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2024*

	Notes	2024 HK\$'000	2023 HK\$'000 (Restated)
<b>Continuing operations</b>			
Revenue	4	479,317	491,597
Cost of sales		(355,716)	(359,842)
<b>Gross profit</b>		<b>123,601</b>	131,755
Other income		17,926	13,143
Other gains and losses, net		2,723	8,841
Selling and distribution expenses		(38,406)	(36,459)
Administrative expenses		(99,076)	(85,599)
Reversal of impairment losses on loans to other parties, net		22,579	4,466
Provision of impairment losses on trade receivables, net of reversal		(2,080)	(179)
Reversal/(provision) of impairment losses on other receivables, net of reversal		7,924	(9,153)
Provision of impairment losses on intangible assets		(7,172)	(2,620)
Research and development expenditure		(12,835)	(13,092)

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	2023 <i>HK\$'000</i> (Restated)
<b>Profit from operations</b>		<b>15,184</b>	11,103
Finance costs		<u>(4,829)</u>	<u>(3,065)</u>
<b>Profit before tax</b>		<b>10,355</b>	8,038
Income tax expense	5	<u>(3,898)</u>	<u>(3,157)</u>
<b>Profit for the year from continuing operations</b>		<u><b>6,457</b></u>	<u>4,881</u>
<b>Discontinued operation</b> (Loss)/profit for the year from discontinued operation		<u>(129)</u>	<u>284</u>
<b>Profit for the year</b>		<u><b>6,328</b></u>	<u>5,165</u>
<b>Attributable to:</b>			
Owners of the Company		<b>8,036</b>	5,257
Non-controlling interests		<u>(1,708)</u>	<u>(92)</u>
		<u><b>6,328</b></u>	<u>5,165</u>
<b>Earnings per share</b>	7		
From continuing and discontinued operations			
Basic (HK cents per share)		<u><b>3.87</b></u>	<u>3.06</u>
Diluted (HK cents per share)		<u><b>N/A</b></u>	<u>N/A</u>
From continuing operations			
Basic (HK cents per share)		<u><b>3.94</b></u>	<u>2.89</u>
Diluted (HK cents per share)		<u><b>N/A</b></u>	<u>N/A</u>

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

*For the year ended 31 December 2024*

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Profit for the year</b>	<u>6,328</u>	<u>5,165</u>
<b>Other comprehensive expense:</b>		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	(11,624)	(6,991)
Reclassification of cumulative translation reserve upon disposal of an associate and subsidiaries and deregistration of a subsidiary	<u>29</u>	<u>(1,159)</u>
<b>Other comprehensive expense for the year, net of tax</b>	<u>(11,595)</u>	<u>(8,150)</u>
<b>Total comprehensive expense for the year</b>	<u>(5,267)</u>	<u>(2,985)</u>
<b>Attributable to:</b>		
Owners of the Company	(3,559)	(2,893)
Non-controlling interests	<u>(1,708)</u>	<u>(92)</u>
	<u>(5,267)</u>	<u>(2,985)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		9,184	14,421
Right-of-use assets		43,529	18,674
Intangible assets		22,709	34,113
Rental deposits		3,224	3,279
		<u>78,646</u>	<u>70,487</u>
<b>Total non-current assets</b>		<b>78,646</b>	<b>70,487</b>
<b>Current assets</b>			
Inventories		45,050	54,660
Trade receivables	8	117,294	145,309
Prepayments, deposits and other receivables		322,185	223,568
Loans to other parties		1,163	6,949
Amounts due from directors		3,748	3,878
Bank and cash balances		312,051	271,567
		<u>801,491</u>	<u>705,931</u>
<b>Total current assets</b>		<b>801,491</b>	<b>705,931</b>
<b>TOTAL ASSETS</b>		<b>880,137</b>	<b>776,418</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

*As at 31 December 2024*

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to owners of the Company			
Share capital		<b>44,858</b>	39,155
Reserves		<b>491,673</b>	447,508
		<u>536,531</u>	<u>486,663</u>
Non-controlling interests		<b>354</b>	2,062
<b>Total equity</b>		<b>536,885</b>	488,725
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bonds payable		<b>5,041</b>	–
Lease liabilities		<b>37,081</b>	15,002
<b>Total non-current liabilities</b>		<b>42,122</b>	15,002
<b>Current liabilities</b>			
Trade payables	9	<b>58,434</b>	76,471
Accruals and other payables		<b>194,204</b>	179,770
Lease liabilities		<b>10,177</b>	6,894
Borrowings		<b>14,300</b>	4,849
Product warranty provisions		–	696
Bonds payable		<b>20,000</b>	–
Current tax liabilities		<b>4,015</b>	4,011
<b>Total current liabilities</b>		<b>301,130</b>	272,691
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>880,137</b>	776,418

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise HKFRS Accounting Standards; Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The HKICPA has issued certain new and revised HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2 to the consolidated financial statement of this announcement provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

## 2. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (“HK Int 5”) (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

## 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONT'D)

### (b) New and revised HKFRS Accounting Standards in issue but not yet effective

The Group has not applied any new standard, amendments to standards that have been issued but are not yet effective for the financial year beginning 1 January 2024. The new standard, amendments to standards include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Contract Referencing Nature — dependent Electricity	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the new and amendments to HKFRS Accounting Standards mentioned below.

#### ***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

### 3. SEGMENT INFORMATION

The Group has four operating segments as follows:

Electronic manufacturing services (“EMS”)	—	Electronic manufacturing services
Securities and Other Assets Investment and Others	—	Equity investments, property agency service and other operations
Real Estate Supply Chain Services and Energy Storage Products	—	Real estate advisory service and real estate purchase service and energy storage product
Money Lending	—	Provision of loan services by licensed corporation

One operation (Distribution of communications products) was discontinued in the current year. The segment information reported does not include any amounts for the discontinued operations.

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

#### (a) Information about operating segment profit or loss from continuing operations:

	EMS HK\$’000	Securities and other assets investment and others HK\$’000	Real estate supply chain services and energy storage products HK\$’000	Money lending HK\$’000	Total HK\$’000
<b>Year ended 31 December 2024</b>					
Revenue from external customers	<u>455,081</u>	<u>12,200</u>	<u>11,880</u>	<u>156</u>	<u>479,317</u>
<b>Year ended 31 December 2023</b>					
Revenue from external customers (Restated)	<u>444,171</u>	<u>27,333</u>	<u>19,846</u>	<u>247</u>	<u>491,597</u>



### 3. SEGMENT INFORMATION (CONT'D)

#### (b) Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location are detailed below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
<b>Continued operations</b>		
<b>Revenue</b>		
The People's Republic of China (the "PRC") (including Hong Kong)	56,729	84,928
United States of America ("U.S.A.")	99,263	112,459
Switzerland	62,894	55,882
France	92,748	72,272
Belgium	33,232	46,462
Thailand	27,103	13,034
Malaysia	9,816	22,167
Brazil	16,812	7,742
Others	80,720	76,651
	<u>479,317</u>	<u>491,597</u>
Consolidated total		
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Continuing operations</b>		
<b>Non-current assets</b>		
The PRC (including Hong Kong)	78,646	70,487
	<u>78,646</u>	<u>70,487</u>
Consolidated total		

#### (c) Revenue from major customers:

##### Continuing operations

An analysis of revenue from major customers which account for 10 percent or more of the Group's revenue is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>EMS segment</b>		
Customer A	230,641	235,380
Customer B	76,718	68,880
	<u>230,641</u>	<u>235,380</u>
	<u>76,718</u>	<u>68,880</u>

#### 4. REVENUE

##### Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the year from continuing operations is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
— Sales of goods	475,206	483,200
— Provision of real estate supply chain service	3,955	8,150
	<u>479,161</u>	<u>491,350</u>
<b>Revenue from other sources</b>		
Rental income	—	8
Loan interest income	156	239
	<u>479,317</u>	<u>491,597</u>

The Group derives revenue from the transfer of goods and services and at a point in time in the following major product lines and geographical regions:

	Electronic manufacturing services		Securities and other assets investment and others		Real estate supply chain services and energy storage product		Money lending		Total	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
<b>Primary geographical markets</b>										
— The PRC	32,493	37,502	12,200	27,333	11,880	19,846	156	247	56,729	84,928
— U.S.A.	99,263	112,459	—	—	—	—	—	—	99,263	112,459
— Switzerland	62,894	55,882	—	—	—	—	—	—	62,894	55,882
— France	92,748	72,272	—	—	—	—	—	—	92,748	72,272
— Belgium	33,232	46,462	—	—	—	—	—	—	33,232	46,462
— Thailand	27,103	13,034	—	—	—	—	—	—	27,103	13,034
— Malaysia	9,816	22,167	—	—	—	—	—	—	9,816	22,167
— Brazil	16,812	7,742	—	—	—	—	—	—	16,812	7,742
— Others	80,720	76,651	—	—	—	—	—	—	80,720	76,651
Segment revenue	<u>455,081</u>	<u>444,171</u>	<u>12,200</u>	<u>27,333</u>	<u>11,880</u>	<u>19,846</u>	<u>156</u>	<u>247</u>	<u>479,317</u>	<u>491,597</u>
Revenue from external customers	<u>455,081</u>	<u>444,171</u>	<u>12,200</u>	<u>27,333</u>	<u>11,880</u>	<u>19,846</u>	<u>156</u>	<u>247</u>	<u>479,317</u>	<u>491,597</u>
<b>Timing of revenue recognition</b>										
Products transferred at a point in time	455,081	444,171	12,200	27,333	11,880	19,846	—	—	479,161	491,350
Products and services transferred over time	—	—	—	—	—	—	156	247	156	247
Total	<u>455,081</u>	<u>444,171</u>	<u>12,200</u>	<u>27,333</u>	<u>11,880</u>	<u>19,846</u>	<u>156</u>	<u>247</u>	<u>479,317</u>	<u>491,597</u>

## 5. INCOME TAX EXPENSE

Income tax relating to continuing operations has been recognised in profit or loss as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i> (Restated)
Current tax — Hong Kong Profits Tax		
Provision for the year	<b>3,941</b>	3,410
Over-provision in prior years	<b>(6)</b>	(288)
	<u><b>3,935</b></u>	<u>3,122</u>
Current tax — Overseas		
Provision for the year	<b>5</b>	35
Over-provision in prior years	<b>(42)</b>	—
	<u><b>(37)</b></u>	<u>35</u>
	<u><b>3,898</b></u>	<u>3,157</u>

Under the two-tiered profits tax regime, profits tax rate for the first HK\$2,000,000 of assessable profits of qualifying corporations established in Hong Kong will be taxed at 8.25% (2023: 8.25%), and profits above HK\$2,000,000 will continue to be subject to the tax rate of 16.5% (2023: 16.5%). For the other Hong Kong established subsidiaries, Hong Kong Profits Tax has been provided at a rate of 16.5% (2023: 16.5%) on the estimated assessable profits.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

## 6. DIVIDENDS

No dividends have been 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).

## 7. EARNINGS PER SHARE

### From continuing and discontinued operations

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>8,036</u>	<u>5,257</u>
	2024	2023
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic and dilutive earnings per share	<u>207,426,836</u>	<u>171,818,161</u>

No diluted earnings per share for years ended 31 December 2024 and 2023 as the exercise price of those options was higher than the average market price of shares.

For the purpose of calculation of basic and diluted earnings per share for the years ended 31 December 2024 and 2023, the share consolidation being effective on 30 March 2023 was deemed to be effective throughout the period from 1 January 2023 to 31 December 2024.

### From continuing operations

The calculation of the basic earnings per share from continuing operations is based on the following:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings for the purpose of calculating basic earnings per share	8,036	5,257
Loss (profit) for the year from discontinued operation	<u>129</u>	<u>(284)</u>
Earnings for the purpose of calculating diluted earnings per share from continuing operations	<u>8,165</u>	<u>4,973</u>

The weighted average numbers of ordinary shares used as denominators in calculating the basic and diluted earnings per share are the same.

## 7. EARNINGS PER SHARE (CONT'D)

### From discontinued operation

Basic loss (2023: earnings) per share from the discontinued operation is HK\$0.06 (2023: HK\$0.17) cents per share, based on the loss (2023: profit) for the year from discontinued operation attributable to the owners of the Company of approximately HK\$129,000 (2023: HK\$284,000) and the denominators used are the same as those detailed above for both basic and diluted earnings per share.

## 8. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	120,379	146,314
Allowance for trade receivables	<u>(3,085)</u>	<u>(1,005)</u>
	<u>117,294</u>	<u>145,309</u>

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 120 days. Each customer has a maximum credit limit. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 90 days	98,302	125,406
91 to 180 days	18,670	18,436
181 to 365 days	292	946
Over 365 days	<u>30</u>	<u>521</u>
	<u>117,294</u>	<u>145,309</u>

## 9. TRADE PAYABLES

The aging analysis of trade payables, based on invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 to 90 days	26,695	60,096
91 to 180 days	7,458	1,436
181 to 365 days	17,804	14,925
Over 365 days	<u>6,477</u>	<u>14</u>
	<u>58,434</u>	<u>76,471</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

During the year 2024, the global economic environment is facing complex and multiple uncertainties. In addition, China's economic transformation has slowed down than expected, with the property crisis, local debt problems and lack of consumer confidence weighing on China's economic growth. As a result, the revenue from continuing operations of the Group slightly decreased from approximately HK\$491.6 million for the year ended 31 December 2023 to approximately HK\$479.3 million for the year ended 31 December 2024.

At the same time, Russia-Ukraine war and the situation in the Middle East has been affected the European market in the past few years. In 2024, the revenue of EMS segment was increased by approximately HK\$10.9 million was mainly due to the increase in the business of European market.

In terms of the new energy economy, the government regards energy storage as a key supporting technology to achieve the "dual carbon" goals (carbon peak before 2030 and carbon neutrality before 2060) and build a new power system. Driven by the policies of the government, the Group has changed its name to China Energy Storage Technology Development Co., Ltd. in 2023 and commenced the energy storage business in 2023. During the year ended 31 December 2024, the Company generated approximately HK\$11.9 million revenue from real estate supply chain services and energy storage products segments.

The Group commenced a Money Lending business in 2022 which generated approximately HK\$0.2 million for the year ended 31 December 2024.

As at 31 December 2024, the Group had bank and cash balances from continuing operations totaling approximately HK\$312.1 million (2023: HK\$271.6 million) with efforts made to maintain a healthy financial position.

## **REVIEW OF OPERATIONS**

### **The EMS and Distribution of Communications Products Businesses**

For the year ended 31 December 2024, the revenue from EMS increased by 2.5% to HK\$455.1 million (2023: HK\$444.2 million), whereas the revenue from Distribution segment decreased by 98.0% to HK\$0.2 million (2023: HK\$10.4 million).

In EMS segment, there are two main groups of products, namely communication and non-communications products whereas non-communication products mainly included appliances and appliances control products and multimedia products.

The increase in the revenue of EMS segment was resulting mainly from the increase in the business of European market.

The Distribution segment was discontinued due to continuing decreasing demand of the business line telephone system product in North America. The common practice of work from home or choosing hybrid work model or online meeting via internet become more popular which lessen the use of communication product in office. Thus, we plan to close down the subsidiary in the Distribution Segment in coming year.

### **Real Estate Supply Chain Services and Energy Storage Products (the “RES and ESP”)**

Revenue from the Real Estate Supply Chain Services operation provides two types of services, comprising the real estate advisory service and real estate purchase service related to investment opportunities in Southeast Asia and Pan Asia markets on behalf of customers. In 2023, the Company changed the Company name to China Energy Storage Technology Development Limited in order to develop the energy storage business. Revenue of Real Estate Supply Chain Services is recognised at a point in time upon completion of each service. The revenue from RES and ESP segment decreased by approximately 40.1% to HK\$11.9 million (2023: HK\$19.8 million) for the year ended 31 December 2024. The decreased RES and ESP’s revenue due to the ESP business decreased by approximately HK\$3.8 million.

### **Securities and Other Assets Investment and Others**

The Securities and Other Assets Investment and Others business contributed revenue of approximately HK\$19.0 million (2023: HK\$27.3 million) to the Group during the year ended 31 December 2024.

## Money Lending

The money lending operations of the Group was commenced in 2022, and are managed through our wholly-owned subsidiary — Be Smart Finance Limited with money lenders licenses issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The Group's money lending business is broadly classified into four loan categories, including: (i) property mortgage loans; (ii) other secured loans; (iii) guaranteed loans; and (iv) unsecured loans. During the year ended 31 December 2024, the Group's money lending business was focused on unsecured loans. The Group plans to explore further potential money lending business opportunities and the Group's assessment of achieving reasonable risk and returns. There is no specific target customer group. The source of customers of the Group during the year ended 31 December 2024 were mainly through the referrals of past and existing customers of the Group. The source of funds for the money lending business is generally funded by the internal resources of the Group.

### *Loan Portfolio*

During the year ended 31 December 2024, we had 4 active loan accounts, all of them are individual customers and unsecured loans. The interest rate of all the loans accounts were 10% per annum. As at 31 December 2024, all loans have been collected during the year.

During the year ended 31 December 2024, the Group's money lending segment generated revenue of approximately HK\$0.2 million, accounting for approximately 0.03% of overall revenue. Operating profit from this business segment amounted to approximately HK\$0.5 million.

The management remains alert and will prudently maintain effective controls and procedures for loan approvals, credit monitoring as well as recovery and compliance matters applicable to all aspects of the money lending business.

### *Internal Control*

The Group has established strict credit policies and controls to reduce all associated credit risks. Various approval criteria are carefully considered during the credit assessment stage, including verification of identity, repayment ability, and relevant investigative results after carrying out due diligence during the application procedure. The Group's management are responsible for assessing and approving loans within predetermined credit limits. They also regularly oversee the Group's credit policies and credit quality of the Group's loan portfolio. Increasing effort has also been put in the recovery procedures for loans receivables. Legal actions will be taken on a case-by-case basis, having considered the normal market practice as well as the actual circumstances during the Group's credit collection processes and negotiations with relevant customers in order to minimise any possible credit losses.



### *Interest rates and loan impairment*

All the Group's loans have been collected during the year ended 31 December 2024. The effective interest rates were matched and charged to customers of differing risk levels, at 10% per annum during the year ended 31 December 2024. The major terms of loans granted include loans receivable, interest rate and maturity date. For the year ended 31 December 2024, the Group has not recorded any impairment loss on loans and interest receivable. The Group's impairment losses relate primarily to the expected credit loss ("ECL") allowance for loans and interest receivables. Generally speaking, ECL assessments are done based on the Group's historical credit loss experience adjusted for factors that are specific to particular debtors, general economic conditions and an assessment of both the current conditions as at the reporting date as well as the forecast of future conditions. The ECL on loans receivables are assessed individually for those debtors with significant balances and/or those collectively using a provision matrix with appropriate groupings. Each grouping is regularly reviewed by management to ensure that each of its constituents continues to share similar credit risk characteristics.

### **Geographical Analysis**

Revenue from the major European countries (Switzerland, Belgium and France) totalled approximately HK\$188.9 million (2023: HK\$174.6 million), and accounted for approximately 39.4% (2023: 35.5%) of the Group's revenue for the year ended 31 December 2024. The U.S.A. market contributed approximately HK\$99.3 million (2023: HK\$112.5 million) in revenue and accounted for approximately 20.7% (2023: 22.9%) of the Group's revenue. The PRC (including Hong Kong) and other countries accounted for approximately HK\$56.7 million (2023: HK\$84.9 million) and HK\$134.5 million (2023: HK\$119.6 million), respectively, representing approximately 11.8% (2023: 17.3%) and 28.1% (2023: 24.3%) of the Group's revenue.

## **FINANCIAL REVIEW**

### **Revenue Generated from Continuing Operations**

For the year ended 31 December 2024, the Group recorded total revenue of HK\$479.3 million (2023: HK\$491.6 million).

The Group's reporting segments are strategic business units that offer different products and services. There are two broad groups of business units for segment accounting purpose, EMS and Distribution whereas the latter representing the distribution of communication products. In EMS segment, there are two main groups of products, namely communication and non-communications products whereas non-communication products mainly included appliances and appliances control products and multimedia products.

For the year ended 31 December 2024, the revenue from EMS increased by 2.5% to HK\$455.1 million (2023: HK\$444.2 million).

The increase in the revenue of EMS segment was resulting mainly from the increase in the business of European market.

The Distribution of communications products segment was discontinued due to continuing decreasing demand of the business line telephone system product in North America. The common practice of work from home or choosing hybrid work model or online meeting via internet become more popular which lessen the use of communication product in office. Thus, the Group plans to close down the subsidiary in the Distribution of communications products segment in coming year.

### **Cost of Sales**

Cost of sales is slightly decreased of approximately HK\$4.1 million of approximately HK\$355.7 million for the year ended 31 December 2024 (2023: HK\$359.8 million). The decreased of cost of sales was in line with the decreased of revenue for the year ended 31 December 2024.

### **Gross Profit**

Gross profit decreased by 6.2% from HK\$131.8 million to HK\$123.6 million, while the gross profit margin slightly decreased by 1.0% which was mainly affected by the change in product mix during the year.

### **Impairment losses**

The Group made overall reversal of impairment losses of approximately HK\$21.3 million on certain assets for the year ended 31 December 2024 (2023: impairment losses of approximately HK\$7.5 million). It was mainly comprised of impairment losses on intangible assets of approximately HK\$7.2 million and impairment losses on trade receivables of approximately HK\$2.1 million, which offset by reversal of impairment losses on loan to other parties (net of reversal) of approximately HK\$22.6 million and reversal of impairment losses on other receivables (net of reversal) of approximately HK\$7.9 million.

### **Other Income**

The other income is increased from approximately HK\$13.1 million for the year ended 31 December 2023 to approximately HK\$17.9 million for the year ended 31 December 2024. The increase was mainly due to the compensation from revised intangible asset term of approximately HK\$6.8 million and the increase of interest income on bank fixed deposit and bank deposit which offset by the decrease of interest income on loan to individual D and loan to independent third party C.

### **Selling and distribution expenses**

Selling and distribution expenses of HK\$38.4 million (2023: HK\$36.5 million) accounted for approximately 8.0% in 2024 and 7.4% in 2023 of the Group's revenue respectively. The increase are mainly caused by the increase in the staff cost of approximately HK\$2.9 million.

### **Administration expenses**

Administration expenses of HK\$99.1 million (2023: HK\$85.6 million) accounted for approximately 20.7% in 2024 and 17.4% in 2023 of the Group's revenue respectively. The increase are mainly caused by the increased equity-settled share-based payments of approximately HK\$7.9 million.

### **Research and development expenditure**

Research and development expenditure slightly decreased by approximately HK\$0.3 million from approximately HK\$13.1 million for the year ended 31 December 2023 to approximately HK\$12.8 million for the year ended 31 December 2024.

### **Finance costs**

The Group's finance costs were approximately HK\$4.8 million for the year ended 31 December 2024 and HK\$3.1 million for the year ended 31 December 2023, represented approximately 1.0% and 0.6% of the Group's revenue for the year ended 31 December 2024 and 2023, respectively. The finance costs increased was mainly due to the increase of finance lease liabilities and interest expenses on borrowings during the year ended 31 December 2024.

### **Income tax expense**

Income tax expense during the year ended 31 December 2024 included approximately HK\$3.9 million of current tax charge (2023: HK\$3.2 million). The tax charges mainly represented the income tax provision at the applicable tax rate in accordance with the relevant laws and regulations in Hong Kong, the PRC and the U.S.A..

### **Profit attributable to owners of the Company**

The profit attributed to owners of the Company was approximately HK\$6.3 million for the year ended 31 December 2024 (2023: HK\$5.2 million). The Group's net profit margin from the continuing operations attributable to owners of the Company for the year ended 31 December 2024 was approximately 1.3% (2023: profit margin 1.1%).

## **Loss for the year attributable to non-controlling interests**

Loss for the year attributable to non-controlling interests amounted to approximately HK\$1.7 million for the year ended 31 December 2024 (2023: loss of approximately HK\$92,000).

## **LIQUIDITY AND CAPITAL RESOURCES**

The Group generally finances its operations and capital expenditure by internally generated cashflows.

As at 31 December 2024, the bank and cash balances from continuing operations amounted to approximately HK\$312.1 million (2023: HK\$271.6 million), representing an increase of approximately HK\$40.5 million from 2023. Respective sum of approximately 18.4%, 70.4% and 11.2% of the bank and cash balances was denominated in RMB, USD and HKD, respectively.

As at 31 December 2024, the Group's current ratio remains in a healthy position at 2.7 times (2023: 2.6 times).

As at 31 December 2024, the carrying amounts of the borrowings and bonds payable were approximately HK\$14.3 million and HK\$25.0 million respectively. The borrowings represented the loans from financial institutions and loan from an independent third party of approximately HK\$14.3 million (2023: HK\$4.3 million) and HK\$nil million (2023: HK\$0.5 million), respectively.

### **Exchange risk exposure**

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC and Hong Kong denominated in RMB and USD, respectively. As at 31 December 2024, the Group had minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the respective functional currencies, i.e. RMB and USD, used by the respective group entities, or in USD for the respective group entities with HKD being the functional currency. As HKD is pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant for transactions denominated in USD. The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 December 2024, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedging or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

## **Capital commitments and expenditures**

Capital expenditure for 2024 amounted to HK\$2.5 million and capital commitments as at 31 December 2024 amounted to HK\$1.0 million. Both the capital expenditure and capital commitments were mainly related to the acquisition of plant and machinery to maintain the capacity of the business volume.

## **Pledge of assets**

As at 31 December 2024 and 2023, the Group had no pledged assets.

## **Financial guarantee contract**

As at 31 December 2024 and 2023, the Group had an outstanding guarantee (the “**Guarantee**”) to one of the suppliers of an overseas subsidiary (the “**Disposed Subsidiary**”), which was disposed on 7 October 2015, for payment in relation to a sum of US\$2.6 million (equivalent to approximately HK\$20.3 million), representing a trade balance under dispute between the Disposed Subsidiary and the supplier. The supplier subsequently sold the trade balance to a third party.

During 2017, the Disposed Subsidiary had agreed with the third party for a final settlement by instalment of US\$650,000 (equivalent to approximately HK\$5.1 million). In this regards, as at 31 December 2024 and 2023, the Group had an outstanding guarantee of the sum limited to US\$650,000, subject to the full payment of the final settlement effected by the Disposed Subsidiary.

The Disposed Subsidiary had issued counter guarantee to the Company to indemnify the Company for any loss in relation to the Guarantee.

## **Contingent liabilities**

The Group and the Company did not have any significant contingent liabilities.

## HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2024, the Group had approximately 835 employees in various operating units located in Hong Kong, U.S.A. and the PRC. In order to attract and retain high quality talents to ensure smooth operation and cater for the Group's constant expansion, it offers competitive remuneration packages, with reference to market conditions, individual qualifications and experience.

The emoluments of the Directors are recommended and decided by the remuneration committee and the Board respectively, having regard to the Company's operating results, individual performance and comparable market statistics.

## SHARE OPTION SCHEME

Details of the share option movements during the period from 1 January 2024 to 31 December 2024 under the Share Option Schemes are as follows:

Holder of Share Options	Date of Grant	Exercise period	Exercise price per Share (note 2) (HK\$)	Outstanding as at 1 January 2024	Number of share options			Outstanding as at 31 December 2024
					Grant during the year ended 31 December 2024	Exercised during the year ended 31 December 2024	Lapsed/ cancelled during 31 December 2024	
<b>Executive Directors</b>								
Lin Dailian	28-Jan-21	2021.7.28-2026.1.27	3.46	533,309	-	-	-	533,309
	3-Nov-23	2024.11.3-2026.11.2	2.5	1,725,291	-	-	-	1,725,291
Bian Sulan	3-Nov-23	2024.11.3-2026.11.2	2.5	1,725,291	-	-	-	1,725,291
<b>Employees</b>	28-Jan-21	2022.1.28-2026.1.27	3.46	2,087,987	-	-	-	2,087,987
<b>Employees</b>	3-Nov-23	2024.11.3-2026.11.2	2.5	12,244,500	-	-	-	12,244,500
Total				18,316,378	-	-	-	18,316,378

### Notes:

- (1) The closing price of the Company's share immediately before the date (28 January 2021) on which the share options were granted was HK\$0.35.
- (2) The exercise price per share of share options has reflected the adjustment in relation to the share consolidation which completed on 30 March 2023.
- (3) The closing price of the Company's share immediately before the date (2 November 2023) on which the share options were granted was HK\$1.9.
- (4) The number of share option available grant as at 31 December 2024 was 1,557,836.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Except for disclosed in the Company's announcement dated 13 December 2024 in related to the Major Transaction and the disposal of a wholly-owned subsidiary of the Company as disclosed, there was no significant investment held, material acquisition and disposal of subsidiaries and associates by the Company during the year ended 31 December 2024. The Group will make every endeavor to keep abreast of the changing market conditions, proactively identify investment opportunities in order to broaden the revenue base of the Group, enhance its future financial performance and profitability.

## **PROSPECTS**

The China's energy storage industry is ushering in a period of rapid development, driven by the "dual carbon" goals (carbon peaking and carbon neutrality) and the transformation of the energy structure. The PRC government has listed energy storage as a key development direction in the energy sector and has issued various policies. In addition, various provinces have launched mandatory energy storage ratio policies, and the peak-to-valley electricity price gap has widened to stimulate energy storage demand. At the same time, the electronic energy market is being reformed, the ancillary service market and the spot market are gradually improving, and energy storage can obtain benefits through peak regulation and frequency regulation.

In view of the above, the Group believes that the China's energy storage industry will maintain rapid growth, driven by policy, technology and market demand, mainly lithium battery energy storage in the short term, and develop in the medium and long term in the direction of multi-technology route and multi-scenario integration. The Group needs to pay attention to technological innovation, business model optimization and global layout to seize the energy storage dividend in the carbon neutrality era.

At present, the global economy is facing different challenging, including high interest rates, geopolitical conflicts, debt crises, and repeated inflation, which have weakened growth momentum. The Group will continue to closely monitor the market conditions and take necessary measures to adjust the business development strategy.

## **CAPITAL STRUCTURE**

As at 31 December 2024, the total number of the issued share capital with the par value of HK\$0.2 each was 224,289,185 and the total equity attributable to Shareholders was approximately HK\$536.5 million (2023: approximately HK\$486.7 million).



## **PURCHASE, SALES AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

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

## **DIVIDENDS**

The Board does not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

## **THE DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY**

On 18 November 2024, the Group entered into a sales and purchase agreement with an independent third party to dispose of 100% equity interests of Zhongxixin Trading (Shenzhen) Co. Ltd and Zhongxixin Trading (Shanghai) Co. Ltd (collectively referred as the “**Disposal Group**”) at a cash consideration of RMB575,000 (equivalent to approximately HK\$621,000). The Disposal Group was principally engaged in electronic manufacturing services. The consideration was satisfied by cash on 23 December 2024. Upon the completion of the disposal, the Disposal Group has ceased to be subsidiaries of the Company and its financial results is no longer be consolidated into the consolidated financial statements of the Group.

## **EVENTS AFTER THE REPORTING PERIOD**

Proposed Right Issue, proposed change in board lot size and major transaction in relation of the assignment of distribution rights

### **(i) Proposed Right Issue**

Reference is made to the announcements on 13 December 2024, the Company proposes to raise gross proceeds of up to approximately HK\$94.2 million (assuming full subscription under the Rights Issue) by way of issuing up to 448,578,370 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) at the Subscription Price of HK\$0.21 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date.

Assuming there will be no change in the number of Shares in issue on or before the Record Date and full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the estimated expenses of approximately HK\$2.2million) is expected to be approximately HK\$92.0 million.



**(b) Proposed change in board lot size**

Reference is made to the announcements on 13 December 2024, the Company proposed that the board lot size of the Shares for trading on the Stock Exchange will be changed from 4,000 Shares to 8,000 Shares.

**(c) Major transaction in relation of the assignment of distribution rights (the “Major Transaction”)**

Reference is made to the announcements on 13 December 2024, Mr. Lu Zhongming (the “Assignor”), Link-Asia International Electronic Technology Limited, an indirect wholly-owned subsidiary of the Company (the “Assignee”) and the Company, entered into the Deed of Assignment, pursuant to which the Assignor conditionally agreed to assign to the Assignee, all his rights, obligations, title, interests, and benefit in and to the Agency Distribution Agreement in accordance with the terms and conditions set out in the Deed of Assignment, at the consideration of HK45,000,000.

The completion of proposed Right Issue, proposed change in board lot size and major transaction in relation of the assignment of distribution rights are subject to the Conditions Precedent stated in the announcement of the company on 13 December 2024.

## **CORPORATE GOVERNANCE**

### **Code on Corporate Governance Practices**

For the year ended 31 December 2024, the Company has complied with the code provisions (“CPS”) of the Corporate Governance Code (“CG Code”), as set out in Appendix C1 to the Listing Rules, except for the deviation from code provision C.2.1 and C.1.6 of the Code as described below.

#### *Code Provision C.2.1*

Under code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The Company does not have any officer with the title of “chief executive officer” and this is deviated from the code provision C.2.1 of the Code.

Mr. Lin Dailian, who acts as the Chairman and an executive Director of the Company since 12 July 2019, is also responsible for overseeing the general operations of the Group. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. The roles of the respective executive directors and senior management, who are in charge of different functions complement the role of the chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership enabling the Group to operate efficiently.

### *Code Provision C.1.6*

Under the code provision C.1.6, independent non-executive directors should generally attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to other pre-arranged business commitments, Mr. Liu Zhiwei and Ms. Lin Xiaoshan were not able to attend the annual general meeting of the Company held on 3 June 2024.

The Company understands the importance to comply with the code provision C.2.1 and C.1.6 and will continue to consider the feasibility to comply with the said code provision. If compliance with the said provision is determined, appropriate persons will be nominated to assume the different roles of chairman and chief executive officer.

### **Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”)**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct for securities transactions carried out by the directors. All Directors, after specific enquiries by the Company, confirmed that they had complied with the required standard set out in the Model Code throughout the year.

### **Audit Committee**

The Audit Committee currently has three members comprising Mr. Wu Chi King (chairman), Ms. Zhang Xiulin and Mr. Li Huiwu, all being independent non-executive Directors. The primary duties of the Audit Committee are mainly to review and supervise the financial reporting process and internal control system of the Group.

The Audit Committee has discussed with the management of the Company on the accounting principles and practices adopted by the Group, internal controls, risk management and financial reporting matters on 31 March 2025. The Audit Committee has also reviewed and discussed with the management about the announcement of annual financial results of the Group for the year ended 31 December 2024.

## **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this further announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA 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 McMillan Woods (Hong Kong) CPA Limited on this further announcement.

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

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.link-asia.com.hk](http://www.link-asia.com.hk)). The annual report for the year ended 31 December 2024 containing all the information required by Appendix D2 to the Listing Rules will be made available on the same websites by no later than 30 April 2025.

By order of the Board  
**China Energy Storage Technology Development Limited**  
**Lin Dailian**  
*Chairman and executive Director*

Hong Kong, 31 March 2025

*As at the date of this announcement, the Board comprises Mr. Lin Dailian (Chairman), Mr. Liu Zhiwei, Ms. Lin Xiaoshan, Mr. Wang Qi and Ms. Bian Sulan as executive Directors; Mr. Li Huiwu, Mr. Wu Chi King and Ms. Zhang Xiulin as independent non-executive Directors.*