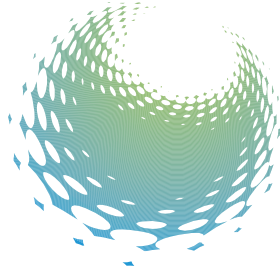


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**Sun.King Technology Group Limited**  
**賽晶科技集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 580)**

**SUPPLEMENTAL ANNOUNCEMENT OF  
DISCLOSEABLE TRANSACTIONS –  
DEEMED DISPOSAL OF EQUITY INTEREST  
IN SUNKING SEMICONDUCTOR  
AND ACQUISITION OF EQUITY INTEREST IN HUNAN HONG’AN**

Reference is made to the announcement of Sun.King Technology Group Limited dated 13 July 2025 in relation to two discloseable transactions (the “**Original Announcement**”). Other capitalised terms used in this announcement have the same meaning as those defined in the Original Announcement.

**FURTHER INFORMATION ON THE BASIS FOR DETERMINATION OF THE SUBSCRIPTION PRICE**

As disclosed in the Original Announcement, the Subscription Price was determined after negotiation between the parties base on the principles of willingness, equality and fairness having taken into account commercial factors such as the market position of Sunking Semiconductor, the Investors’ assessment of the prospect of Sunking Semiconductor and the expected synergy between Sunking Semiconductor and the Investors.

The Directors would like to supplement that:

The Guidance Note on Directors' Duties in the Context of Valuations in Corporate Transactions issued by the Securities and Futures Commission provides guidance on the circumstances where the directors should consider the need to appoint an independent valuer. These include: (a) where the directors do not have sufficient experience or expertise in the target's business or in valuation; (b) the target's business is new or still in its infancy; (c) the information provided in respect of the target's business requires professional advice or professional scrutiny in order to properly assess the merits of the proposed transaction; (d) the size of the target relative to that of, or its significance to, the issuer; (e) the risks involved in the transaction or the complexity or nature of the transaction; or (f) where any director of the acquiring company has an actual or potential conflict of interest in the proposed transaction.

Sunking Semiconductor was established in 2019 and has become a member of the Group since then. Therefore, the business of Sunking Semiconductor is not new to the Group or in its infancy. The Directors have reasonably sufficient knowledge, and the relevant senior management of the Company have sufficient experience or expertise, in the business of Sunking Semiconductor. The size of Sunking Semiconductor, in terms of total assets, net profit and revenue, is not significant when compared to the size of the Company. The transaction as contemplated under the Capital Increase Agreement involves Sunking Semiconductor issuing new registered capital to the Investors and a similar transaction was duly completed in 2023. The Investors and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

In view of the aforesaid, the Directors did not consider to conduct valuation of the fair value of the equity interest in Sunking Semiconductor before determining the Subscription Price.

The last capital increase agreement of Sunking Semiconductor was signed on 27 July 2023. Pursuant to the aforesaid agreement, the value of the entire equity interest in Sunking Semiconductor after the capital increase amounted to RMB2.72 billion.

For the purpose of determining the Subscription Price, the Directors estimated the entire equity value of Sunking Semiconductor as at 30 June 2025 with reference to the entire equity value of Sunking Semiconductor as at 27 July 2023 and the changes in the market capitalisation of three peer companies between 27 July 2023 and 30 June 2025.

The table below illustrates the changes in market capitalisation of the peer companies between 27 July 2023 and 30 June 2025:

| Peer company                                                   | Market capitalisation as at         |                                     | Change          |
|----------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------|
|                                                                | 27 July 2023                        | 30 June 2025                        |                 |
|                                                                | (RMB100 million)<br>(approximately) | (RMB100 million)<br>(approximately) | (approximately) |
| StarPower Semiconductor Ltd.<br>(“StarPower Semiconductor”)    | 371.11                              | 194.24                              | -52.34%         |
| Suzhou Oriental Semiconductor Co., Ltd.<br>(“Suzhou Oriental”) | 115.22                              | 50.74                               | -44.04%         |
| MacMic Science & Technology Co., Ltd.<br>(“MACMIC”)            | 87.62                               | 37.47                               | -42.76%         |

StarPower Semiconductor, Suzhou Oriental and MACMIC are all power semiconductor companies, whose A shares are listed on stock exchanges and which are comparable to Sunking Semiconductor in terms of product types and customers’ application market. As shown in the table above, the three peer companies experienced approximately 42.76% to approximately 52.34% decline in market capitalisation from 27 July 2023 to 30 June 2025. Based on the aforesaid range, the Directors estimated that the entire equity value of Sunking Semiconductor as at 30 June 2025 could be in the range of approximately RMB1.16 billion to approximately RMB1.42 billion. As the Investors recognised the branding and the experience of Sunking Semiconductor in the mass production of IGBT series of products, and having considered that the new products developed by Sunking Semiconductor are about to go into mass production, which will improve the operating data, Sunking Semiconductor and the Investors therefore determined the total equity value of Sunking Semiconductor upon the completion of the Capital Increase Agreement to be RMB2.00 billion, and thus the value of 9.00% of the equity interest in it amounted to RMB180,000,000.

## **FURTHER INFORMATION ON THE BASIS FOR DETERMINATION OF THE CONSIDERATION UNDER THE EQUITY TRANSFER AGREEMENT**

As disclosed in the Original Announcement, a valuation of the fair value of the entire equity interest in Hunan Hong’An has been conducted and such value as at 31 December 2024 was assessed at RMB200,000,000. After arm’s length negotiation between Sunking Semiconductor and the Investors with reference to the aforesaid valuation, the parties have agreed that the total consideration in the amount of RMB180,000,000 is to be settled by Sunking Semiconductor by issuing new registered capital corresponding to approximately 9.00% of the enlarged equity interest in Sunking Semiconductor to the Investors.

The Board would like to supplement that:

The valuation of the fair value of the entire equity interest in Hunan Hong'An was conducted by Fan Rui (Shanghai) Certified Public Accountants (General Partnership) (樊睿(上海)會計師事務所(普通合夥)) (the “**Valuer**”), an independent and qualified valuer engaged by the Company, using the venture capital method, which is based on the projected earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) of Hunan Hong'An, and is regarded as a profit forecast under Rule 14.61 of the Listing Rules.

The venture capital method is applied to assess the business on the basis that Hunan Hong'An was only set up in 2023 in early stage that a traditional discounted cash flow method is not applicable due to unreliable and uncertain cash flow forecast and limited historical financial information. The market approach is not performed, however, multiples of enterprise value/sales and price/net book value is estimated as a crosscheck.

The venture capital method is a widely used valuation approach for early-stage startups. It is designed to estimate the value of a company based on expected returns for investors, and particularly useful when traditional valuation methods like discounted cash flow method are too speculative due to limited historical data and uncertainty of the forecast. The venture capital method begins by estimating the company's value at the time of exit, then applying a required rate of return to discount that exit value back to present. It is focused on a value at exit, not ongoing cash flows. The calculation can be illustrated as the formula below:

$$\text{Business value} = \frac{(\text{Exit multiple} \times \text{EBITDA in the exit year})}{(1 + \text{Venture capital required return rate})^{\text{Number of years till exit}}}$$

The asset approach is not considered as most of the value of Hunan Hong'An is incorporated in its relationship with its suppliers, business partners, research and development capabilities and management experiences, etc. which are primarily the intangible elements of Hunan Hong'An. The asset approach cannot appropriately reflect these elements. Hence, it is not considered.

The scope of work performed by, and the nature and sources of the information relied upon by, the Valuer included, but were not limited to:

- (a) conducting interviews with the management of Hunan Hong'An to understand the operational history, business nature, organisational structure and prospects of Hunan Hong'An;
- (b) analysing the financial and operating data of Hunan Hong'An, including its revenue, gross profit, capital expenditures and working capital requirements, based on the statements of the management of Hunan Hong'An, industry conditions and the forecast of future operational conditions made by its management;
- (c) reviewing the corporate documents of Hunan Hong'An, including but not limited to the articles of association, and the strategic cooperation framework agreements entered into by it;

- (d) independently analysing the financial and operational history of Hunan Hong'An, its business nature and its competitive position in the market;
- (e) independently analysing the current condition and outlook of the relevant industry;
- (f) conducting research and analysis on comparable listed companies; and
- (g) conducting research and analysis on comparable mergers and acquisitions.

The major limitations, and the reasons therefore, on the above work performed by the Valuer included:

- (a) that business valuations are based on the potential for future profits that may or may not be achieved. Therefore, the actual results achieved during the forecast period may differ from the forecasts used in this valuation, and such differences may be significant; and
- (b) that, although valuation is a matter of fact, rational individuals may make different estimates of value. As a result, a valuation does not represent an exact scientific estimate. Nevertheless, when conducting this valuation, the Valuer executed theoretically sound and generally accepted methods and procedures based on the information provided by the management of Hunan Hong'An and its independent research.

Key inputs into and general assumption about the valuation included:

| Parameter                                          | Value                            | Bases                                                                                                                                                                                                                                                           |
|----------------------------------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) Forecast Revenue Growth Rate from 2025 to 2029 | 198%, 158%, 35%, 35%, 35%        | The revenue being assumed to grow significantly with the expansion of customer base and the penetration of market in the growth stage, and then entering into the expansion stage with lower growth rate but still higher than the average industry growth rate |
| (b) Gross margin                                   | 7.7%, 12.4%, 19.1%, 19.1%, 19.1% | Estimates of margins of different products, sales volumes and reference with the industry range                                                                                                                                                                 |
| (c) Percentage of operating expenses to sales      | 20.3%, 9.1%, 7.8%, 7.8%, 7.8%    | Historical figures and estimates of additional cost due to expansion of business                                                                                                                                                                                |
| (d) EBITDA margin in the exit year                 | 11.4%                            | The estimates of margins of different products, sales volumes and references with the industry range                                                                                                                                                            |
| (e) Profit tax                                     | 25%                              | Mainland China statutory corporate income tax rate                                                                                                                                                                                                              |
| (f) Exit multiple                                  | 10x                              | The estimates of multiple for companies in a more mature stage within the industry                                                                                                                                                                              |
| (g) Discount rate                                  | 25%                              | The venture capital required return rate for companies in an early development stage, the potential of high growth but with reduced risk due to the partnership of key suppliers                                                                                |

Other specific assumptions about the valuation included:

- (a) Hunan Hong'An will be able to operate on a going concern basis;
- (b) the financial forecasts and underlying assumptions of Hunan Hong'An fairly reflect its future operational plans and represent its management's best estimates;
- (c) the cooperation of Hunan Hong'An with domestic and international semiconductor companies can provide it with R&D, marketing and product support; and
- (d) the working capital shortage of Hunan Hong'An can be addressed through borrowing.

The Valuer assessed that the fair value of the entire equity interest in Hunan Hong'An as at 31 December 2024 was RMB200,000,000. Such value was concluded for the following reasons:

Based on the best estimate projection of the management of Hunan Hong'An, the future exit value is estimated and discounted at risk adjusted venture capital required return rate to arrive at the business value under the venture capital method. The implied pricing multiples estimated from the value estimate under the venture capital method are then compared with the range of pricing multiples of guideline comparable companies and comparable transactions as a crosscheck. The final estimate of the business value is then arrived.

The Company has engaged Ernst & Young to report on the arithmetical accuracy of the calculations of the projected EBITDA for the year ending 31 December 2029 on which the valuation dated 18 March 2025 prepared by the Valuer in respect of Hunan Hong'An as at 31 December 2024 is based. Pursuant to Rule 14.60A(2) of the Listing Rules, the report issued by Ernst & Young in respect of the foregoing is included in Appendix I hereto.

The Board has confirmed that the profit forecast in respect of Hunan Hong'An as included in the valuation report issued by the Valuer has been made after due and careful enquiry. Pursuant to Rule 14.60A(3) of the Listing Rules, the letter from the Board in respect of the aforesaid is included in Appendix II hereto.

The qualifications of the experts who have given their opinion and advice in this announcement are as follows:

| Name                                                                                          | Qualification                |
|-----------------------------------------------------------------------------------------------|------------------------------|
| Ernst & Young                                                                                 | Certified Public Accountants |
| Fan Rui (Shanghai) Certified Public Accountants (General Partnership)<br>(樊睿(上海)會計師事務所(普通合夥)) | Independent valuer           |

Each of the above experts has given and has not withdrawn its respective written consent to the issue of this announcement with the inclusion of its report and the references to its name in the form and context in which they are respectively included.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, none of the above experts has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the date of this announcement.

## **FURTHER INFORMATION ON REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENT**

It is stated in the Original Announcement that the Directors believe that the terms of the transaction as contemplated under the Equity Transfer Agreement are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board would like to supplement that:

Sunking Semiconductor is principally engaged in the R&D, production and sales of IGBT and silicon carbide MOSFET devices. The R&D and production of these products require continuous technological innovation and investment in professional technicians, as well as stable supply chain security over the long term. Meanwhile, the long cycle of market expansion will also increase the pressure on operations. Sunking Semiconductor has always been seeking business expansion and strengthening its competitiveness.

Being in its initial stage, Hunan Hong'An is engaged in the R&D of various types of power devices and the research of applied technologies, with products including a full series of low-voltage, medium-voltage and high-voltage power MOSFET, and microcontroller unit, etc. Its current business overlaps and intersects with that of Sunking Semiconductor.

The Directors are of the view that the acquisition of the entire equity interest in Hunan Hong'An will enhance the R&D capabilities and supply chain security of Sunking Semiconductor, thus maximising cost savings in R&D and shortening market entry cycles, which will be of strategic significance to its long-term development. The reasons are as follows:

- (a) the product portfolio of power devices of Sunking Semiconductor can be enriched and the R&D cycle for its new products can be shortened through the sharing of professional technicians and technology;
- (b) the risk of wafer shortages for Sunking Semiconductor can be minimised through sharing the supply chain resources of Hunan Hong'An. A stable supply of wafers is crucial to the production of power devices. In 2024, a major domestic wafer fab entered into a strategic cooperation agreement with Hunan Hong'An to safeguard the wafer supply of Hunan Hong'An; and
- (c) the market reach of Sunking Semiconductor can be expanded through sharing the marketing resources of Hunan Hong'An. In 2024, the customers of Hunan Hong'An included leading companies in various industries including photovoltaic inverters, lithium-ion battery management systems (BMS) and welding machines, as well as customers in high-growth market segments. Sunking Semiconductor can use this opportunity to further expand its market reach.

In view of the above, the Directors consider the respective businesses of Sunking Semiconductor and Hunan Hong'An are complementary. Therefore, the Directors believe that there will be a synergistic effect when Hunan Hong'An becomes a direct subsidiary of Sunking Semiconductor upon the completion of the Equity Transfer Agreement. Given the dual complementary and synergistic roles for Hunan Hong'An to play in the Sunking Semiconductor Group, the Directors are of the view that the terms of the transaction as contemplated under the Equity Transfer Agreement are in the interests of the Company and the Shareholders as a whole, even though Hunan Hong'An was loss-making for the two years ended 31 December 2024 and with net asset value of RMB31 million only as at 31 December 2024.

## **FURTHER INFORMATION ON SUNKING SEMICONDUCTOR**

The Board would like to clarify that the summary of certain financial information on Sunking Semiconductor for the two years ended 31 December 2024 and as at 31 December 2023 and 31 December 2024 should be as follows:

|                               | <b>For the year ended</b> |                    |
|-------------------------------|---------------------------|--------------------|
|                               | <b>31 December</b>        |                    |
|                               | <b>2024</b>               | <b>2023</b>        |
|                               | <i>RMB'000</i>            | <i>RMB'000</i>     |
|                               | <i>(unaudited)</i>        | <i>(unaudited)</i> |
| <b>(Loss) before taxation</b> | (128,882)                 | (76,315)           |
| <b>(Loss) after taxation</b>  | (128,882)                 | (76,315)           |
|                               | <b>As at 31 December</b>  |                    |
|                               | <b>2024</b>               | <b>2023</b>        |
|                               | <i>RMB'000</i>            | <i>RMB'000</i>     |
|                               | <i>(unaudited)</i>        | <i>(unaudited)</i> |
| <b>Net assets</b>             | 175,522                   | 286,286            |

Save as disclosed in this announcement, the contents in the Original Announcement remain unchanged. This announcement is supplemental to and should be read in conjunction with the Original Announcement.

By Order of the Board  
**Sun.King Technology Group Limited**  
**Xiang Jie**  
*Chairman*

Hong Kong, 18 August 2025

*As at the date of this announcement, the executive Directors are Mr. Xiang Jie, Mr. Gong Renyuan and Mr. Yue Zhoumin; and the independent non-executive Directors are Mr. Chen Shimin, Mr. Zhang Xuejun, Mr. Leung Ming Shu and Ms. White Caige.*

## Appendix I

### Report from Ernst & Young

The following is the text of the report issued by Ernst & Young, which is the auditor of the Company, for inclusion in this announcement.

#### **REPORT FROM REPORTING ACCOUNTANTS ON THE PROJECTED EARNING BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION FOR THE YEAR ENDING 31 DECEMBER 2029 OF HUNAN HONG'AN MICROELECTRONICS CO., LTD. IN CONNECTION WITH THE VALUATION OF HUNAN HONG'AN MICROELECTRONICS CO., LTD.**

To the Directors of Sun.King Technology Group Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the projected earning before interest, taxes, depreciation and amortisation for the year ending 31 December 2029 (the “**Forecast**”) on which the valuation dated 18 March 2025 prepared by Fan Rui (Shanghai) Certified Public Accountants (General Partnership) in respect of Hunan Hong’An Microelectronics Co., Ltd. (the “**Target**”) as at 31 December 2024 is based. The valuation is set out in the announcement of Sun. King Technology Group Limited (the “**Company**”) dated 18 August 2025 (the “**Announcement**”) in connection with the acquisition of the Target. The valuation based on the Forecast is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### **Directors’ responsibilities**

The directors of the Company (the “**Directors**”) are solely responsible for the preparation of the Forecast in accordance with the bases and assumptions (the “**Assumptions**”) as set out in the section headed “Further Information on the Basis for Determination of the Consideration Under the Equity Transfer Agreement” of the Announcement. This responsibility includes carrying out appropriate procedures relevant to the preparation of the Forecast and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

#### **Our independence and quality management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting accountants' responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast, in all material respects, in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

## **Opinion**

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

18 August 2025

**Appendix II**  
**Letter from the Board**

The following is the text of the letter from the Board for inclusion in this announcement.

18 August 2025

**Listing Division**

**The Stock Exchange of Hong Kong Limited**

8<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

Dear Sirs,

**Re: Discloseable transactions – deemed disposal of equity interest in Sun.King Pacific Semiconductor Technology (Zhejiang) Co., Ltd.\* (賽晶亞太半導體科技(浙江)有限公司) and acquisition of equity interest in Hunan Hong’An Microelectronics Co., Ltd.\* (湖南虹安微電子有限責任公司)**

We refer to the announcement of Sun.King Technology Group Limited dated 13 July 2025 in relation to two discloseable transactions (the “**Original Announcement**”). Other capitalised terms used in this letter have the same meaning as those defined in the Original Announcement.

We refer to the valuation report (the “**Valuation Report**”) prepared by Fan Rui (Shanghai) Certified Public Accountants (General Partnership) (樊睿(上海)會計師事務所(普通合夥)) (the “**Valuer**”), an independent and qualified valuer engaged by the Company, in respect of the fair value of the entire equity interest in Hunan Hong’An as at 31 December 2024 using the venture capital method, which is based on the projected earnings before interest, taxes, depreciation and amortisation of Hunan Hong’An, and is regarded as a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules.

We have considered the Valuation Report, for which the Valuer is responsible, reviewed the assumptions set out in the Valuation Report on which the valuation is based, and discussed the same with the Valuer. We have also considered the report prepared by Ernst & Young of even date in relation to whether the Profit Forecast, so far as the arithmetical accuracy of the calculations is concerned, has been properly compiled in all material respects in accordance with the assumptions set out in the Valuation Report.

On the basis of the foregoing, the Board confirms that the profit forecast in respect of Hunan Hong’An as included in the Valuation Report has been made after due and careful enquiry.

Yours faithfully,  
For and on behalf of the Board  
**Sun.King Technology Limited**  
**Xiang Jie**  
*Chairman*

\* For identification purpose only