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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026, DECLARATION OF INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 42.9% to approximately RMB1,269.4 million.
- Gross profit increased by approximately 21.6% to approximately RMB278.9 million.
- Gross profit margin decreased from approximately 25.8% to approximately 22.0%.
- Loss attributable to owners of the parent amounted to approximately RMB26.7 million.
- Loss per Share amounted to approximately RMB1.66 cents (basic) and approximately RMB1.66 cents (diluted).

INTERIM RESULTS

The board (the "**Board**") of Directors (the "**Directors**", each a "**Director**") of Sun.King Technology Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2026, with the comparative figures for the corresponding period in 2025, as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Notes	**2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
REVENUE	*4*	**1,269,368**	888,320
Cost of sales		**(990,470)**	(659,066)
Gross profit		**278,898**	229,254
Other income and gains	*4*	**25,432**	130,747
Selling and distribution costs		**(66,771)**	(60,862)
Administrative expenses		**(116,163)**	(106,074)
Research and development costs		**(91,998)**	(67,923)
Other expenses and losses		**(57,950)**	(3,486)
Finance costs	*6*	**(8,802)**	(8,835)
Share of losses of associates		**(14)**	(13)
PROFIT/(LOSS) BEFORE TAX	*5*	**(37,368)**	112,808
Income tax expense	*7*	**(11,393)**	(27,338)
PROFIT/(LOSS) FOR THE PERIOD		**(48,761)**	85,470
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods			
Fair value losses on financial investments at fair value through other comprehensive income		**(3,590)**	(3,643)
Exchange differences on translation of foreign operations		**7,431**	(11,048)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		**3,841**	(14,691)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		**(44,920)**	70,779

	Note	2026 *RMB'000* (Unaudited)	2025 *RMB'000* (Unaudited)
Profit/(loss) attributable to:			
Owners of the parent		**(26,742)**	93,773
Non-controlling interests		**(22,019)**	(8,303)
		(48,761)	85,470
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**(24,083)**	82,452
Non-controlling interests		**(20,837)**	(11,673)
		(44,920)	70,779
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic		**RMB(1.66) cents**	RMB5.85 cents
Diluted		**RMB(1.66) cents**	RMB5.85 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Note	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**786,108**	759,911
Investment properties		**15,558**	15,558
Right-of-use assets		**54,803**	49,801
Deposits for purchase of property, plant and equipment		**26,189**	11,818
Goodwill		**182,734**	182,734
Other intangible assets		**66,293**	66,286
Investments in associates		**2,386**	2,400
Equity investment designated at fair value through other comprehensive income		**3,200**	6,790
Contract assets		**87,656**	64,610
Time deposits		**–**	84,046
Deferred tax assets		**15,652**	5,428
Total non-current assets		**1,240,579**	1,249,382
CURRENT ASSETS			
Inventories		**370,994**	286,546
Trade and bills receivables	*10*	**1,550,359**	1,241,446
Contract assets		**12,636**	11,957
Prepayments, other receivables and other assets		**157,266**	189,425
Derivative financial instruments		**–**	18,329
Pledged deposits		**3,636**	69,417
Time deposits		**85,077**	–
Cash and cash equivalents		**264,168**	327,424
Total current assets		**2,444,136**	2,144,544

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	11	**667,026**	535,874
Contract liabilities		**137,003**	135,841
Other payables and accruals		**43,401**	35,617
Lease liabilities		**5,357**	2,989
Derivative financial instruments		**40,565**	–
Interest-bearing bank and other borrowings		**486,123**	315,155
Tax payable		**21,172**	24,438
Total current liabilities		**1,400,647**	1,049,914
NET CURRENT ASSETS		**1,043,489**	1,094,630
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,284,068**	2,344,012
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**6,645**	22,220
Lease liabilities		**6,146**	2,111
Deferred income		**46,302**	49,372
Deferred tax liabilities		**865**	1,090
Total non-current liabilities		**59,958**	74,793
Net assets		**2,224,110**	2,269,219
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**138,120**	137,562
Treasury shares		**(10,050)**	(10,050)
Reserves		**1,988,652**	2,012,372
		2,116,722	2,139,884
Non-controlling interests		**107,388**	129,335
Total equity		**2,224,110**	2,269,219

1. CORPORATE INFORMATION

Sun.King Technology Group Limited (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands on 19 March 2010. The ordinary shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited with effect from 13 October 2010. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the period, the Company and its subsidiaries (collectively referred to as the "**Group**") were principally engaged in the trading and manufacturing of power electronic components.

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**").

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other its equity investments at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has one reportable operating segment which is principally engaged in the manufacturing and trading of power electronic components. All of the Group's operating results from the operations are generated from this single segment. Management monitors the results of Group's operation as a whole for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

As the Group's major operations are in Chinese mainland, and over 95% (31 December 2025: over 95% (audited)) of the Group's revenue are attributable to customers located in Chinese mainland and non-current assets are located in Chinese mainland, no further geographical segment information is provided.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue from contracts with customers is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of power electronic components	**1,269,368**	888,320

The performance obligation of the sale of power electronic component is satisfied upon delivery of the products.

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Other income		
Government grants*	**19,726**	33,270
Bank interest income	**1,825**	2,978
Interest income arising from revenue contracts	**1,808**	893
Fair value gains on financial investments at fair value through profit or loss	**188**	341
Others	**249**	980
	23,796	38,462
Gains		
Gain on disposal of scrap and idle materials	**1,636**	1,004
Foreign exchange gains, net	**–**	31,342
Fair value gains on foreign currency forward contracts, net	**–**	59,939
	1,636	92,285
Total	**25,432**	130,747

* Various government grants have been received for investments in certain regions in Chinese mainland in which the Company's subsidiaries operate as well as for the Group's technology advancements. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the condensed consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these government grants.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**990,155**	659,985
Write-down/(reversal of write-down) of inventories to net realisable value, net	**315**	(919)
Cost of sales	**990,470**	659,066
Depreciation of property, plant and equipment	**29,669**	26,187
Depreciation of right-of-use assets	**3,566**	3,067
Amortisation of deferred development costs	**4,321**	4,617
Amortisation of other intangible assets (excluding deferred development costs)	**1,813**	2,402
Impairment of trade receivables and contract assets, net	**4,707**	3,118
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets, net	**707**	(264)
Fair value losses on foreign currency forward contracts, net	**49,702**	–
Loss on disposal of property, plant and equipment, net	**46**	52
Foreign exchange losses, net	**2,788**	–

6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank loans	**4,341**	4,471
Interest on other loans	**4,241**	4,241
Interest on lease liabilities	**220**	123
Total	**8,802**	8,835

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2026. No provision for Hong Kong profits tax has been made for the six months ended 30 June 2025 as the Group did not generate any assessable profits arising in Hong Kong during the period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. Under the PRC income tax laws, enterprises are subject to corporate income tax ("**CIT**") at a rate of 25% (six months ended 30 June 2025: 25%). Certain subsidiaries of the Group are qualified as high technology enterprises and hence are granted a preferential CIT rate of 15% (six months ended 30 June 2025: 15%). The Group's subsidiaries established in Switzerland, Germany and Netherlands are subject to local corporate taxes of approximately 18% (six months ended 30 June 2025: approximately 18% (unaudited)), 32% (six months ended 30 June 2025: approximately 32% (unaudited)) and 25.8% (six months ended 30 June 2025: approximately 25.8% (unaudited)), respectively.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Hong Kong profits tax		
Charge for the period	**1,007**	–
Current – Chinese mainland profits tax		
Charge for the period	**18,871**	17,802
Overprovision in prior periods	**1,073**	(53)
Current – Europe profits tax		
Charge for the period	**835**	133
Subtotal	**21,786**	17,882
Deferred	**(10,393)**	9,456
Total tax charge for the period	**11,393**	27,338

8. DIVIDENDS

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Proposed interim - HK1 cent (six months ended 30 June 2025: HK1 cent (unaudited)) per ordinary share	**13,855**	14,531
Final declared and paid – HK1 cent (six months ended 30 June 2025: HK1 cent (unaudited)) per ordinary share	**13,914**	14,530

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share (six months ended 30 June 2025: earning per share) amount is based on the loss for the period attributable to ordinary equity holders of the parent of RMB26,742,000 (six months ended 30 June 2025: profit of RMB93,773,000 (unaudited)), and the weighted average number of ordinary shares of 1,606,242,738 (six months ended 30 June 2025: 1,603,302,772 (unaudited)) outstanding during the period.

The calculation of the diluted earnings/(loss) per share amount is based on the profit/(loss) for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**(26,742)**	93,773

	Number of shares For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings/(loss) per share calculation	**1,606,242,738**	1,603,302,772
Effect of dilution – weighted average number of ordinary shares:		
Share options	**16,893,067**	643,752
Total	**1,623,135,805**	1,603,946,524

10. TRADE AND BILLS RECEIVABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**1,347,321**	1,058,961
Impairment	**(26,881)**	(22,392)
Net carrying amount	**1,320,440**	1,036,569
Bills receivable	**229,919**	204,877
	1,550,359	1,241,446

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to one year for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivables and contract assets balances. Trade receivables are non-interest-bearing.

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the customers' acknowledge of receipt or invoice date, where applicable, and net of loss allowance, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**930,699**	656,013
4th to 6th months	**113,381**	179,582
7th to 12th months	**202,580**	123,895
Over 1 year	**73,780**	77,079
Total	**1,320,440**	1,036,569

At 30 June 2026, the Group's bills receivable would mature within six (31 December 2025: six (audited)) months.

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the good receipt or invoice date, where applicable, is as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within six months	**531,034**	482,620
Over six months	**135,992**	53,254
Total	**667,026**	535,874

A. Business review

1. Domestic and overseas market performance

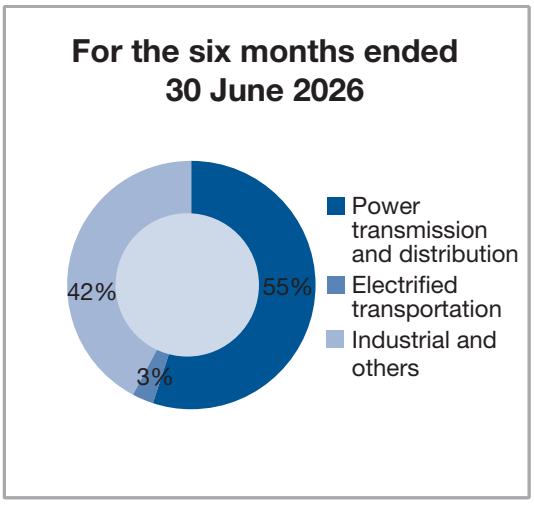
	For the six months ended 30 June			
	2026		2025	
	Revenue *(RMB'000)*	**Gross profit margin**	Revenue *(RMB'000)*	Gross profit margin
Domestic market	**1,209,831**	**21.1%**	845,968	24.7%
Overseas market	**59,537**	**39.2%**	42,352	47.4%
Total	**1,269,368**	**Average 22.0%**	888,320	Average 25.8%

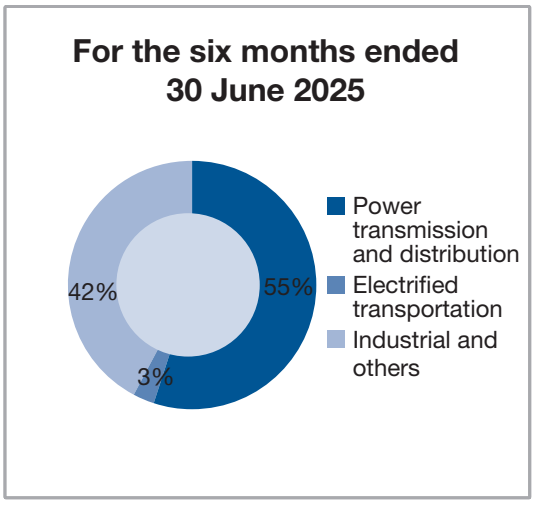
2. Domestic market performance

The products supplied by the Group are categorised into applied sectors, namely, power transmission and distribution, electrified transportation, and industrial and others. The performance of the Group in the domestic market is as follows:

	For the six months ended 30 June			
	2026		2025	
Applied sectors	**Revenue *(RMB'000)***	**Gross profit margin**	Revenue *(RMB'000)*	Gross profit margin
Power transmission and distribution	**657,391**	**28.6%**	466,654	35.4%
Electrified transportation	**32,476**	**3.4%**	23,641	15.6%
Industrial and others	**519,964**	**12.8%**	355,673	11.3%
Total	**1,209,831**	**Average 21.1%**	845,968	Average 24.7%

The proportion of revenue of the Group from each of the applied sectors in the domestic market is as follows:





(a) Power transmission and distribution sector

The performance of the Group in the power transmission and distribution sector is as follows:

	For the six months ended 30 June		
	2026	2025	
	Revenue	Revenue	Change
	(RMB'000)	*(RMB'000)*	
Power transmission and distribution sector	**657,391**	466,654	41%
Regular direct current ("**DC**") transmission *(Note 1)*	**30,908**	89,205	-65%
Flexible transmission *(Note 2)*	**519,453**	295,960	76%
Other power transmission and distribution	**107,030**	81,489	31%

Notes:

1. Regular DC transmission refers to DC transmission technology with semi-controlled power electronic components such as thyristors as core devices of current-switching valves.
2. Flexible transmission includes flexible DC transmission, flexible low-frequency alternating current ("**AC**") transmission and grid-based static var generator, etc.

(i) Regular DC transmission and flexible transmission

The Group supplies products such as anode saturation reactors, power capacitors, DC support capacitors for flexible DC transmission, intelligent power grid online monitoring systems and power semiconductor components distributed by the Group to the sub-sectors of regular DC transmission and flexible transmission.

In the first half of 2025, the Group delivered products for orders for a number of projects, including the Hami – Chongqing ±800 kV Ultra-High Voltage ("**UHV**") DC Transmission Project and the Shaanxi – Anhui ±800 kV UHVDC Transmission Project, in the regular DC transmission sub-sector; whereas in the first half of 2026, the Group only partially delivered products for orders for the Belo Monte Phase III UHV Project in Brazil, and products for orders for the West Inner Mongolia – Beijing-Tianjin-Hebei UHV Project and the remaining portion of the Belo Monte Phase III UHV Project in Brazil are expected to be delivered in the second half of 2026. Consequently, the revenue of the Group from the regular DC transmission sub-sector decreased by approximately 65% as compared with the same period in 2025.

In the first half of 2026, the Group continued to deliver products for orders for the Gansu–Zhejiang Flexible UHV Project, the current-switching valves project for the Saudi Arabia's Central-South Project, offshore wind power transmission projects and grid-forming technology-related projects. As the products delivered increased significantly as compared with the same period in 2025, the revenue of the Group from the flexible transmission sub-sector increased by approximately 76% as compared with the same period in 2025.

(ii) Other power transmission and distribution

The Group supplies products such as intelligent power grid online monitoring systems and power capacitors to the other power transmission and distribution sub-sector.

In the first half of 2026, primarily due to the growth in revenue from intelligent power grid online monitoring systems of the Group in the other power transmission and distribution sub-sector, the revenue of the Group from this sub-sector increased by approximately 31% as compared with the same period in 2025.

(b) Electrified transportation sector

The performance of the Group in the electrified transportation sector is as follows:

	For the six months ended 30 June		
	2026	2025	
	Revenue	Revenue	Change
	(RMB'000)	*(RMB'000)*	
Electrified transportation sector	**32,476**	23,641	37%
Rail transportation	**22,403**	17,532	28%
Electric vehicles	**8,092**	44	18,291%
Other transportation	**1,981**	6,065	-67%

(i) Rail transportation

The Group supplies power electronic components for traction converter systems to manufacturers of rail transit vehicle equipment, and devices such as power quality control devices to manufacturers of rail transportation power supply system.

In the first half of 2026, due to the increase in orders for products related to electric locomotives and high-speed trains, the revenue of the Group from this sub-sector increased by approximately 28% as compared with the same period in 2025.

(ii) Electric vehicles

The Group supplies products, including laminated busbars, cell contacting systems ("**CCSs**", each a "**CCS**") and self-developed power semiconductors (including insulated gate bipolar transistors ("**IGBTs**", each an "**IGBT**") and silicon carbide ("**SiC**")), to the electric vehicles sub-sector.

In the first half of 2026, due to the increase in orders in electric passenger car and commercial vehicle sectors, the revenue of the Group from this sub-sector increased significantly as compared with the same period in 2025.

The Group has become a supplier of domestically produced power semiconductor components to a leading domestic enterprise in the commercial vehicle electric drive sector, and has gained recognition from downstream customers such as leading heavy-duty truck manufacturers.

(iii) Other transportation

The Group supplies power electronic components and devices to the other transportation sub-sector such as marine and aerospace of the People's Republic of China (the "**PRC**").

As the business of the Group in this sub-sector remains in the expansion phase, the related orders and revenue are subject to significant fluctuations. In the first half of 2026, the revenue of the Group from this sub-sector decreased by approximately 67% as compared with the same period in 2025.

(c) Industrial and others sector

The performance of the Group in the industrial and others sector is as follows:

	For the six months ended 30 June		
	2026	2025	
	Revenue	Revenue	Change
	(RMB'000)	*(RMB'000)*	
Industrial and others	**519,964**	355,673	46%
Industrial control	**234,751**	196,368	20%
New energy power generation and energy storage	**283,965**	156,382	82%
Scientific research institutes and others	**1,248**	2,923	-57%

The Group supplies products such as self-developed power semiconductors, laminated busbars, CCSs, power quality control devices, power capacitors, DC support capacitors and power semiconductor components distributed by the Group to manufacturers of industrial control equipment, energy storage equipment and new energy power generation equipment, as well as to scientific research institutes and to customers in other sub-sectors. In addition, the Group provides system solutions and engineering and construction services for the new energy power generation and energy storage sub-sector.

In the first half of 2026, due to the increase in orders in sectors such as metallurgy, the revenue of the Group from the industrial control sub-sector increased by approximately 20% as compared with the same period in 2025. In addition, due to the growth in the system solutions and engineering and construction services businesses, as well as an increase in orders for self-developed power semiconductors, laminated busbars and CCSs, the revenue of the Group from the new energy power generation and energy storage sub-sector increased by approximately 82% as compared with the same period in 2025. Consequently, the revenue of the Group from this sector increased by approximately 46% as compared with the same period in 2025.

3. Overseas market performance

Products sold in overseas markets by domestic and overseas subsidiaries of the Group include laminated busbars, solid-state AC/DC/pulse power switches and impedance measurement devices.

	For the six months ended 30 June		
	2026	2025	
	Revenue	Revenue	Change
	(RMB'000)	*(RMB'000)*	
Overseas markets	**59,537**	42,352	41%
Products of domestic subsidiaries	**11,596**	4,916	136%
Products of overseas subsidiaries	**47,941**	37,436	28%

In the first half of 2026, due to the growth in orders for power quality control devices of domestic subsidiaries and solid-state switches of overseas subsidiaries in overseas markets, the revenue of the Group from these markets increased by approximately 41% as compared with the same period in 2025.

4. Research and development ("R&D")

(a) Self-developed power semiconductors

In the first half of 2026, the Group launched 1,050V chips and 2,300V IGBT sample chips featuring the seventh-generation micro-trench technology, and 2,300V SiC MOSFET samples.

In the first half of 2026, the IGBT modules of the Group began transitioning to chips featuring the seventh-generation micro-trench technology. Meanwhile, the Group developed brand new type-based products including XP type and EASY type as well as new ED type products equipped with SiC chips. The Group also developed IGBT+SiC hybrid FP type modules, which integrate the dual advantages of high current density in silicon-based IGBTs and low switching losses in SiC.

(b) Solid-state DC circuit breakers

In the first half of 2026, the solid-state DC circuit breakers of the Group obtained the certification from the Registro Italiano Navale. Meanwhile, the Group successfully developed an 800V/7500A solid-state DC circuit breaker engineering prototype, serving as a key protective device for 800V DC power supply systems in the artificial intelligence ("**AI**") data centres.

Modern data centres are gradually transitioning to DC power supply architectures to enhance energy efficiency and scalability, and to better integrate renewable energy with battery energy storage systems. The solid-state DC circuit breakers of the Group are specifically designed for these advanced power systems and offer numerous advantages, including ultra-fast breaking capability, high reliability, maintenance-free operation and modular integration.

B. Financial review

Revenue

The revenue of the Group increased by approximately 42.9% from approximately RMB888.3 million for the six months ended 30 June 2025 to approximately RMB1,269.4 million for the six months ended 30 June 2026, primarily due to the concentrated delivery of products for orders for the Gansu-Zhejiang Flexible DC Transmission Project by the Group and the increase in revenue from the new energy power generation and energy storage sub-sector.

Cost of sales

The cost of sales of the Group increased by approximately 50.3% from approximately RMB659.1 million for the six months ended 30 June 2025 to approximately RMB990.5 million for the six months ended 30 June 2026, primarily due to the increase in revenue.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately 21.6% from approximately RMB229.3 million for the six months ended 30 June 2025 to approximately RMB278.9 million for the six months ended 30 June 2026, primarily due to the increase in revenue.

The gross profit margin of the Group decreased from approximately 25.8% for the six months ended 30 June 2025 to approximately 22.0% for the six months ended 30 June 2026, primarily due to the decrease in proportion of high gross profit margin products.

Other income and gains

The other income and gains of the Group decreased significantly by approximately 80.6% from approximately RMB130.7 million for the six months ended 30 June 2025 to approximately RMB25.4 million for the six months ended 30 June 2026, primarily due to (a) the depreciation of the Swiss franc, resulting in (i) net fair value losses on foreign currency forward contracts *(Note)* for the six months ended 30 June 2026 as compared with net fair value gains on foreign currency forward contracts for the six months ended 30 June 2025, and (ii) a decrease in foreign exchange gains; and (b) the expiration of government grants for the self-developed power semiconductor projects of the Group, resulting in a decrease in government grants.

Note: The Group entered into foreign currency forward contracts with the aim of mitigating foreign exchange risks associated with purchases denominated in foreign currencies. There were a net fair value losses on foreign currency forward contracts for the six months ended 30 June 2026, but the purchase costs covered by such contracts have decreased.

Selling and distribution costs

The selling and distribution costs of the Group increased by approximately 9.7% from approximately RMB60.9 million for the six months ended 30 June 2025 to approximately RMB66.8 million for the six months ended 30 June 2026, primarily due to the increase in labour costs and marketing expenses driven by market expansion.

Administrative expenses

The administrative expenses of the Group increased by approximately 9.5% from approximately RMB106.1 million for the six months ended 30 June 2025 to approximately RMB116.2 million for the six months ended 30 June 2026, primarily due to the increase in labour costs and office expenses driven by business development.

R&D costs

The R&D costs of the Group increased by approximately 35.5% from approximately RMB67.9 million for the six months ended 30 June 2025 to approximately RMB92.0 million for the six months ended 30 June 2026, primarily due to the increase in R&D investment in DC support capacitor and intelligent power grid online monitoring system technologies.

Other expenses and losses

The other expenses and losses of the Group increased significantly by approximately 1,557.1% from approximately RMB 3.5 million for the six months ended 30 June 2025 to approximately RMB58.0 million for the six months ended 30 June 2026, primarily due to (a) the net fair value losses on foreign currency forward contracts for the six months ended 30 June 2026 as compared with the net fair value gains on foreign currency forward contracts for the six months ended 30 June 2025; and (b) a decrease in exchange gains, both resulting from the depreciation of Swiss franc, where such gains were recorded in "other income and gains" for the same period in 2025.

Finance costs

The finance costs of the Group remained stable at approximately RMB8.8 million for the six months ended 30 June 2025 and the six months ended 30 June 2026.

Profit/(Loss) before tax

The Group recorded loss before tax of approximately RMB37.4 million for the six months ended 30 June 2026, as compared with profit before tax of approximately RMB112.8 million for the six months ended 30 June 2025, primarily due to (a) the decrease in other income and gains; (b) the increase in other expenses and losses; and (c) the continued increase in R&D investment in new products, resulting in an increase in R&D costs of approximately RMB24.1 million as compared with the six months ended 30 June 2025, as mentioned above.

Income tax expense

The income tax expense of the Group decreased by approximately 58.2% from approximately RMB27.3 million for the six months ended 30 June 2025 to approximately RMB11.4 million for the six months ended 30 June 2026, primarily due to the decrease in profit before tax.

Profit/(Loss) and total comprehensive income/(loss) attributable to owners of the parent

For the same reasons as set out in the paragraph headed "Profit/(Loss) before tax" above, the Group recorded loss attributable to owners of the parent of approximately RMB26.7 million for the six months ended 30 June 2026, as compared with profit attributable to owners of the parent of approximately RMB93.8 million for the six months ended 30 June 2025; and the Group recorded total comprehensive loss attributable to owners of the parent of approximately RMB24.1 million for the six months ended 30 June 2026, as compared with total comprehensive income attributable to owners of the parent of approximately RMB82.5 million for the six months ended 30 June 2025.

The net profit/(loss) margin of the Group, which is calculated as profit/(loss) attributable to owners of the parent for the period divided by revenue, changed from net profit margin of approximately 10.6% for the six months ended 30 June 2025 to net loss margin of approximately 2.1% for the six months ended 30 June 2026.

Inventories

The inventories of the Group increased by approximately 29.5% from approximately RMB286.5 million as at 31 December 2025 to approximately RMB371.0 million as at 30 June 2026, primarily due to the preparation for supply of products for major projects.

The average inventories turnover days of the Group decreased from approximately 82 days for the year ended 31 December 2025 to approximately 64 days for the six months ended 30 June 2026.

Trade and bills receivables

The trade and bills receivables of the Group increased by approximately 24.9% from approximately RMB1,241.4 million as at 31 December 2025 to approximately RMB1,550.4 million as at 30 June 2026, primarily due to the increase in revenue.

The average trade and bills receivables turnover days of the Group decreased from approximately 192 days for the year ended 31 December 2025 to approximately 184 days for the six months ended 30 June 2026.

Trade and bills payables

The trade and bills payables of the Group increased by approximately 24.5% from approximately RMB 535.9 million as at 31 December 2025 to approximately RMB667.0 million as at 30 June 2026, primarily due to the increase in procurement volume.

The average trade and bills payables turnover days of the Group increased from approximately 103 days for the year ended 31 December 2025 to approximately 109 days for the six months ended 30 June 2026.

Liquidity and financial resources

The principal sources of working capital of the Group include cash flow generated from sales of its products and bank borrowings.

The current ratio of the Group, which is calculated as current assets divided by current liabilities, decreased from approximately 2.0 as at 31 December 2025 to approximately 1.7 as at 30 June 2026, primarily due to the increase in balance of bank loans and accounts payable at the end of the period.

As at 30 June 2026, the cash and cash equivalents of the Group were mainly denominated in Renminbi and Swiss francs. The cash and cash equivalents of the Group decreased by approximately 19.3% from approximately RMB327.4 million as at 31 December 2025 to approximately RMB264.2 million as at 30 June 2026, primarily due to the expenditure for construction of factories and purchase of equipment.

As at 30 June 2026, the interest-bearing bank and other borrowings of the Group were denominated in Renminbi. The interest-bearing bank and other borrowings of the Group increased by approximately 46.0% from approximately RMB337.4 million as at 31 December 2025 to RMB492.7 million as at 30 June 2026, primarily due to the increase in demand for funds for construction of factories and purchase of equipment.

The gearing ratio of the Group, which is calculated as total interest-bearing bank and other borrowings divided by total equity, increased from approximately 14.9% as at 31 December 2025 to approximately 22.2% as at 30 June 2026.

The Group continues to implement prudent financial management policies and monitor its capital structure based on the ratio of total liabilities to total assets.

Foreign currency exposure

As most of the principal subsidiaries of the Company operate in the PRC, their functional currency is Renminbi. The Group has transactional currency exposure. These exposures arise from purchases by operating units in currencies other than the units' functional currencies. In order to minimise the impact of foreign exchange exposure, the Group has entered into forward currency contracts with creditworthy banks to hedge against its exchange rate exposure.

Contingent liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities (31 December 2025: Nil).

Pledge of assets of the Group

As at 30 June 2026, certain of the bills payables of the Group were secured by the bills receivable amounting to approximately RMB77.9 million (31 December 2025: approximately RMB44.6 million).

As at 30 June 2026, bank loans of the Group in the amount of RMB 34.6 million were secured by certain of the land use rights and building, plant and machinery with net carrying amounts as at 30 June 2026 of approximately RMB15.4 million and RMB319.4 million (31 December 2025: approximately RMB15.6 million and RMB330.8 million), respectively.

Events after reporting period

There were no important events affecting the Group which have occurred since 30 June 2026 and up to the date of this announcement.

HUMAN RESOURCES

As at 30 June 2026, the Group employed 1,217 employees. Key components of the remuneration packages of the Group included basic salary, medical insurance, discretionary cash bonus, retirement benefit scheme and share options. The Group conducts periodic reviews on the performance of its employees, and their salaries and bonuses are performance-based. The Group focuses on the establishment of an in-house management training and development system to meet the different needs of employees at all levels and enhance their skills through diversified training modes. The Group did not experience any significant problems with its employees or disruptions to its operations due to labour disputes, nor did it experience any difficulty in the recruitment and retention of experienced employees. The Group maintains a good relationship with its employees.

PROSPECTS

Looking forward to the second half of 2026, the Group expects that the demand from downstream sectors remains on a positive trajectory and the overall operating atmosphere remains positive and optimistic. Having established itself in the core priorities of power safety and energy efficiency, the Group will continue to deepen its expertise in core power electronics components and cutting-edge technologies to comprehensively consolidate its growth momentum in multiple sectors.

In the second half of 2026, products for orders for the West Inner Mongolia — Beijing-Tianjin-Hebei UHV Project, the remaining portion of the Belo Monte Phase III UHV Project in Brazil, several offshore wind power transmission projects, grid-forming technology-related projects and DC back-to-back projects are expected to be delivered in succession, thereby laying the foundation for the performance by the power transmission and distribution business of the Group in the second half of the year; due to the increase in orders for products related to electric locomotives and high-speed trains, the steady increase in orders for self-developed power semiconductors of the Group in the electric vehicles sub-sector and the commencement of delivery of several products related to electric vessels in the second half of the year, the Group expects that the electrified transportation business will present an upward trend; due

to the ample orders for the new energy power generation and energy storage sub-sector and the stable growth in demand for products related to industrial control, the industrial and others business of the Group is also expected to achieve strong results. Furthermore, the Group regards the business of the AI data centre sector as key to its future development and will continue to expand the business of power electronic components, such as self-developed SiC devices, busbars and DC support capacitors, as well as products such as solid-state DC switches in this sector in domestic and overseas markets, so as to actively seize the initiative in the development of AI data centre power supply systems.

In the second half of 2026, the Group will continue to strengthen R&D, innovation, production capacity protection and market expansion; drive steady improvements in operating performance across all business segments; and strive to achieve full-year operational targets for 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As at 30 June 2026, the number of shares (the "**Shares**", each a "**Share**") in issue in the Company was 1,612,468,000 with nominal value of HK$0.1 each, among which 10,636,000 were treasury Shares (as defined in the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")). The Company may sell, transfer or otherwise dispose of the treasury Shares in the light of market conditions and its capital management needs and subject to the compliance with the Listing. The Company will not exercise any shareholders' right or receive any entitlement in respect of the aforesaid treasury Shares.

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the treasury Shares).

CORPORATE GOVERNANCE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of the Company and its shareholders (the "**Shareholders**", each a "**Shareholder**"). The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") as set out in Appendix C1 to the Listing Rules as its own code to govern its corporate governance practice. The Board also reviews and monitors the practice of the Company from time to time with the aim of maintaining and improving the standard of corporate governance practice. The Company met the applicable code provisions as set out in Part 2 of the Corporate Governance Code during the six months ended 30 June 2026.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Company confirms that, having made specific enquiry of all the Directors, the Directors complied with the required standards as set out in the Model Code during the six months ended 30 June 2026.

REVIEW OF FINANCIAL STATEMENTS BY AUDIT COMMITTEE

The audit committee of the Board has reviewed with the management accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters, including review of the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2026.

DIVIDEND

The Board has resolved to pay an interim dividend of HK$0.01 per Share for the six months ended 30 June 2026 (same period in 2025: HK$0.01) out of the share premium account of the Company. The interim dividend is expected to be paid on or around Friday, 23 October 2026 to the Shareholders whose names appear on the register of members of the Company on Thursday, 8 October 2026. Assuming no further Share will be issued or repurchased from the date of this announcement to the expected dividend payment date, a total amount of HK$16,018,320 (same period in 2025: HK$15,933,980) will be absorbed.

CLOSURE OF REGISTER

In order to establish the identity of the Shareholders who are entitled to the interim dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Monday, 5 October 2026. The register of members of the Company will be closed from Tuesday, 6 October 2026 to Thursday, 8 October 2026, both days inclusive, during which period no transfer of Shares will be registered.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sunking-tech.com. The interim report of the Company for the year 2026 will be available at the same websites and despatched to the Shareholders in due course upon request.

ONLINE MEETING

The Company will host an online meeting to discuss the interim results of the Group for the six months ended 30 June 2026 with the Shareholders and the potential investors of the Company on Tuesday, 25 August 2026 from 10 a.m. to 11 a.m. (Hong Kong time).

The online meeting will be held on the Tencent Meeting platform, with details as follows:

Tencent Meeting number: 492-245-769

Meeting link: https://meeting.tencent.com/dm/FLTeC5080rja

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

Hong Kong, 24 August 2026

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.