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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 2025, DECLARATION OF INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

#### **FINANCIAL HIGHLIGHTS**

- Revenue increased by approximately 35.5% to approximately RMB888.3 million.
- Gross profit decreased by approximately 2.3% to approximately RMB229.3 million.
- Gross profit margin decreased from approximately 35.8% to approximately 25.8%.
- Profit attributable to owners of the parent amounted to approximately RMB93.8 million.
- Earnings per Share amounted to approximately RMB5.85 cents (basic) and approximately RMB5.85 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 2025, with the comparative figures for the corresponding period in 2024, as follows:

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

For the Six months ended 30 June 2025

	Notes	2025 RMB' 000 (Unaudited)	2024 RMB' 000 (Unaudited)
<b>REVENUE</b>	4	<b>888,320</b>	655,758
Cost of sales		<u>(659,066)</u>	<u>(420,974)</u>
Gross profit		<b>229,254</b>	234,784
Other income and gains	4	<b>130,747</b>	34,335
Selling and distribution costs		<b>(60,862)</b>	(47,940)
Administrative expenses		<b>(106,074)</b>	(83,660)
Research and development costs		<b>(67,923)</b>	(67,756)
Other expenses and losses		<b>(3,486)</b>	(24,866)
Finance costs	6	<b>(8,835)</b>	(8,541)
Share of losses of associates		<u><b>(13)</b></u>	<u>(7)</u>
<b>PROFIT BEFORE TAX</b>	5	<b>112,808</b>	36,349
Income tax expense	7	<u><b>(27,338)</b></u>	<u>(15,416)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>85,470</b></u>	<u>20,933</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
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		<b>(3,643)</b>	(4,667)
Exchange differences on translation of foreign operations		<u><b>(11,048)</b></u>	<u>5,243</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>		<u><b>(14,691)</b></u>	<u>576</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>70,779</b></u>	<u>21,509</u>

	<i>Note</i>	2025 <b>RMB' 000</b> <b>(Unaudited)</b>	2024 <b>RMB' 000</b> <b>(Unaudited)</b>
Profit/(loss) attributable to:			
Owners of the parent		<b>93,773</b>	33,722
Non-controlling interests		<b>(8,303)</b>	(12,789)
		<b>85,470</b>	20,933
Total comprehensive income/(loss) attributable to:			
Owners of the parent		<b>82,452</b>	33,012
Non-controlling interests		<b>(11,673)</b>	(11,503)
		<b>70,779</b>	21,509
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<i>9</i>		
Basic		<b>RMB5.85 cents</b>	RMB2.09 cents
Diluted		<b>RMB5.85 cents</b>	RMB2.09 cents

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

		<b>30 June 2025</b>	31 December 2024
	<i>Note</i>	<b><i>RMB' 000</i></b>	<b><i>RMB' 000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>745,750</b>	734,941
Investment properties		<b>15,558</b>	15,720
Right-of-use assets		<b>52,629</b>	52,761
Deposits for purchase of property, plant and equipment		<b>1,465</b>	5,988
Goodwill		<b>5,689</b>	5,689
Other intangible assets		<b>67,909</b>	69,776
Investments in associates		<b>2,400</b>	2,413
Equity investment designated at fair value through other comprehensive income		<b>6,357</b>	10,000
Contract assets		<b>43,340</b>	26,938
Time deposits		<b>80,000</b>	80,000
Other receivables and assets		<b>2,997</b>	—
Deferred tax assets		<b>5,915</b>	8,434
		<hr/>	<hr/>
Total non-current assets		<b>1,030,009</b>	1,012,660
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>253,922</b>	289,941
Trade and bills receivables	10	<b>1,147,053</b>	1,161,169
Contract assets		<b>11,071</b>	11,752
Prepayments, other receivables and other assets		<b>92,316</b>	116,680
Derivative financial instruments		<b>53,524</b>	—
Pledged deposits		<b>28,002</b>	27,158
Cash and cash equivalents		<b>454,691</b>	415,487
		<hr/>	<hr/>
Total current assets		<b>2,040,579</b>	2,022,187
		<hr/>	<hr/>

		<b>30 June 2025</b>	31 December 2024
	<i>Note</i>	<b><i>RMB' 000</i></b>	<i>RMB' 000</i>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	<b>434,016</b>	416,724
Contract liabilities		<b>71,165</b>	77,400
Other payables and accruals		<b>136,875</b>	140,190
Lease liabilities		<b>3,103</b>	2,521
Derivative financial instruments		<b>–</b>	6,415
Interest-bearing bank and other borrowings		<b>256,425</b>	254,850
Tax payable		<b>18,841</b>	36,950
		<hr/>	<hr/>
Total current liabilities		<b>920,425</b>	935,050
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>1,120,154</b>	1,087,137
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,150,163</b>	2,099,797
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>28,830</b>	44,440
Lease liabilities		<b>4,222</b>	4,282
Deferred income		<b>49,731</b>	53,649
Deferred tax liabilities		<b>9,390</b>	1,470
		<hr/>	<hr/>
Total non-current liabilities		<b>92,173</b>	103,841
		<hr/>	<hr/>
Net assets		<b>2,057,990</b>	1,995,956
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		<b>137,351</b>	137,351
Treasury shares		<b>(10,050)</b>	(8,641)
Reserves		<b>1,870,682</b>	1,795,666
		<hr/>	<hr/>
		<b>1,997,983</b>	1,924,376
<b>Non-controlling interests</b>		<b>60,007</b>	71,580
		<hr/>	<hr/>
Total equity		<b>2,057,990</b>	1,995,956
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

## 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 2024, except for the adoption of the following amended International Financial Reporting Standards (“**IFRS**”) Accounting Standard for the first time for the current period’s financial information.

Amendments to International Accounting Standard (“**IAS**”) 21      *Lack of Exchangeability*

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

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, 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 Mainland China, and over 95% (31 December 2024: over 94% (audited)) of the Group’s revenue are attributable to customers located in Mainland China and non-current assets are located in Mainland China, 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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b><u>Revenue from contracts with customers</u></b>		
Sale of power electronic components	<b>888,320</b>	<b>655,758</b>

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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b><u>Other income</u></b>		
Government grants*	<b>33,270</b>	20,348
Bank interest income	<b>2,978</b>	4,981
Interest income arising from revenue contracts	<b>893</b>	949
Fair value gains on financial investments at fair value through profit or loss	<b>341</b>	1,092
Fair value gains on financial investments at fair value through other comprehensive income	<b>–</b>	5,250
Others	<b>980</b>	393
	<b>38,462</b>	33,013
<b><u>Gains</u></b>		
Gain on disposal of scrap and idle materials	<b>1,004</b>	1,213
Gain on commodity futures contracts	<b>–</b>	109
Foreign exchange gains, net	<b>31,342</b>	–
Fair value gains on foreign currency forward contracts, net	<b>59,939</b>	–
	<b>92,285</b>	1,322
<b>Total</b>	<b>130,747</b>	<b>34,335</b>

- \* Various government grants have been received for investments in certain regions in Mainland China 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 BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories sold	659,985	420,321
Write-down/(reversal of write-down) of inventories to net realisable value, net	(919)	653
Cost of sales	<u>659,066</u>	<u>420,974</u>
Depreciation of property, plant and equipment	26,187	21,413
Depreciation of right-of-use assets	3,067	2,580
Amortisation of deferred development costs	4,617	4,200
Amortisation of other intangible assets (excluding deferred development costs)	2,402	2,115
Impairment of trade receivables and contract assets, net	3,118	1,622
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets, net	(264)	604
Write-off of trade receivables	–	536
Fair value loss on foreign currency forward contracts, net	–	10,648
Loss on disposal of property, plant and equipment, net	52	90
Foreign exchange losses, net	<u>–</u>	<u>11,366</u>

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans	4,471	4,130
Interest on other loans	4,241	4,265
Interest on lease liabilities	<u>123</u>	<u>146</u>
Total	<u>8,835</u>	<u>8,541</u>



## 7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2024: Nil (unaudited)).

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 2024: 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 2024: 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 2024: approximately 18% (unaudited)), 32% (six months ended 30 June 2024: approximately 32% (unaudited)) and 25.8% (six months ended 30 June 2024: approximately 25.8% (unaudited)), respectively.

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current:		
Mainland China – Charge for the period	<b>17,802</b>	15,837
Overprovision in prior periods	<b>(53)</b>	(113)
Europe – Charge for the period	<b>133</b>	308
	<hr/>	<hr/>
Subtotal	<b>17,882</b>	16,032
Deferred	<b>9,456</b>	(616)
	<hr/>	<hr/>
Total tax charge for the period	<b>27,338</b>	15,416
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## 8. DIVIDENDS

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Final declared and paid – HK1 cent (six months ended 30 June 2024: Nil (unaudited)) per ordinary share	<b>14,530</b>	–
	<hr/> <hr/>	<hr/> <hr/>

On 22 August 2025, the board of directors declared an interim dividend of HK\$0.01 (six months ended June 2024: Nil) per ordinary share, amounting to a total of approximately RMB14,531,000 (six months ended 30 June 2024: Nil).

## 9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of RMB93,773,000 (six months ended 30 June 2024: RMB33,722,000 (unaudited)), and the weighted average number of ordinary shares of 1,603,302,772 (six months ended 30 June 2024: 1,616,157,705 (unaudited)) outstanding during the period.

The calculation of the diluted earnings per share amount is based on the profit 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 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 per share are based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>93,773</u>	<u>33,722</u>
	Number of shares	
	For the six months	
	ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	1,603,302,772	1,616,157,705
Effect of dilution – weighted average number of ordinary shares:		
Share options	<u>643,752</u>	<u>370,317</u>
Total	<u>1,603,946,524</u>	<u>1,616,528,022</u>

## 10. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025</b>	31 December 2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Trade receivables	<b>985,419</b>	922,229
Impairment	<b>(18,641)</b>	(15,585)
	<b>966,778</b>	906,644
Bills receivable	<b>180,275</b>	254,525
	<b>1,147,053</b>	1,161,169

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month, extending up to three months 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:

	<b>30 June 2025</b>	31 December 2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within 3 months	<b>567,263</b>	518,522
4th to 6th months	<b>172,174</b>	188,948
7th to 12th months	<b>138,302</b>	117,107
Over 1 year	<b>89,039</b>	82,067
Total	<b>966,778</b>	906,644

At 30 June 2025, the Group's bills receivable would mature within six (31 December 2024: 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:

	<b>30 June 2025</b>	31 December 2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Within six months	<b>338,705</b>	366,017
Over six months	<b>95,311</b>	50,707
Total	<b>434,016</b>	416,724

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

### 1. Domestic and overseas market performance

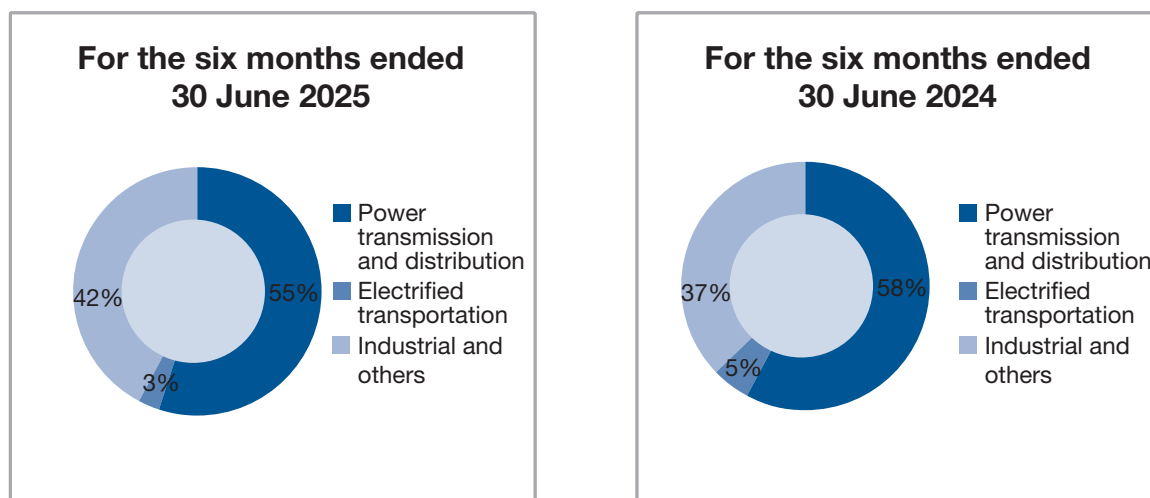
	For the six months ended 30 June			
	2025		2024	
	Revenue	Gross profit	Revenue	Gross profit
	(RMB'000)	margin	(RMB'000)	margin
Domestic market	845,968	24.7%	617,047	35.1%
Overseas market	42,352	47.4%	38,711	46.9%
<b>Total</b>	<b>888,320</b>	<b>Average 25.8%</b>	<b>655,758</b>	<b>Average 35.8%</b>

### 2. Domestic market performance

The products provided 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			
	2025		2024	
Applied sectors	Revenue	Gross profit	Revenue	Gross profit
	(RMB'000)	margin	(RMB'000)	margin
Power transmission and distribution	466,654	35.4%	358,098	47.8%
Electrified transportation	23,641	15.6%	31,840	23.1%
Industrial and others	355,673	11.3%	227,109	16.7%
<b>Total</b>	<b>845,968</b>	<b>Average 24.7%</b>	<b>617,047</b>	<b>Average 35.1%</b>

The proportion of revenue of each business sector of the Group 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		Change
	30 June 2025	30 June 2024	
	Revenue (RMB'000)	Revenue (RMB'000)	
<b>Power transmission and distribution sector</b>	<b>466,654</b>	358,098	30%
Regular direct current (“DC”) transmission <sup>(Note 1)</sup>	<b>89,205</b>	146,945	-39%
Flexible transmission <sup>(Note 2)</sup>	<b>295,960</b>	132,914	123%
Other power transmission and distribution	<b>81,489</b>	78,239	4%

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 transmission, grid-based static var generator and energy storage, etc.

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

For the six months ended 30 June 2025, the revenue of the Group in the regular DC transmission sub-sector decreased by approximately 39% compared with the same period in 2024, primarily due to the delivery of ordered products decreased compared to the same period last year.

For the six months ended 30 June 2025, the Group successively delivered the products ordered for regular DC transmission projects such as the Hami–Chongqing  $\pm 800\text{kV}$  ultra-high-voltage (“**UHV**”) DC transmission project, the Shanbei–Anhui  $\pm 800\text{kV}$  UHVDC transmission project (the “**Shanbei-Anhui Project**”), the  $\pm 600\text{kV}$  DC transmission and transformation project of Itaipu Binacional of Brazil, and the second phase of the Yangzhou-Zhenjiang  $\pm 200\text{kV}$  DC transmission project.

For the six months ended 30 June 2025, the revenue of the Group in the flexible transmission sub-sector increased by approximately 123% compared with the same period in 2024, primarily due to the successive delivery of ordered products for the middle–southern Saudi Arabia  $\pm 500\text{kV}$  flexible DC transmission conversion station project (the “**Middle–Southern Saudi Arabia Project**”), the Gansu–Zhejiang  $\pm 800\text{kV}$  UHVDC transmission project (the “**Gansu Power to Zhejiang Project**”) and the Peru/Chile distributed power flow controller project by the Group.

For the six months ended 30 June 2025, the revenue of the Group in the other power transmission and distribution sub-sector increased by approximately 4% compared with the same period in 2024.

## (b) Electrified transportation sector

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

	For the six months ended		
	30 June		
	2025	2024	
	Revenue	Revenue	Change
	(RMB'000)	(RMB'000)	
Electrified transportation sector	23,641	31,840	-26%
Rail transportation	17,532	27,712	-37%
Electric vehicles	44	1,097	-96%
Other transportation	6,065	3,031	100%

The Group provides a wide range of power electronic components for traction converter systems to manufacturers of rail transit vehicle equipment, and products such as power quality control devices and automatic cross-phase intelligent switches for electrified railways to manufacturers of rail transportation power supply system. The Group also provides products such as self-developed power semiconductors (including insulated gate bipolar transistors (“**IGBTs**”, each “**IGBT**”) and silicon carbide), laminated busbars and cell contacting systems to the electric vehicles sub-sector. The Group also provides power electronic components and devices to the other transportation sub-sector such as shipping and aerospace of the People’s Republic of China.

For the six months ended 30 June 2025, the revenue of the Group in the rail transportation sub-sector decreased by approximately 37% compared with the same period in 2024, primarily due to the decrease in orders from manufacturers of rail transit vehicle equipment.

For the six months ended 30 June 2025, the revenue of the Group in the electric vehicles sub-sector decreased by approximately 96% compared with the same period in 2024, primarily due to the decrease in orders from the electric vehicles industry.

For the six months ended 30 June 2025, the revenue of the Group in the other transportation sub-sector increased by approximately 100% compared with the same period in 2024, primarily due to the increase in orders from the electrified shipping industry.

**(c) Industrial and others sector**

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

	<b>For the six months ended</b>		
	<b>30 June</b>		
	<b>2025</b>	<b>2024</b>	
	<b>Revenue</b>	<b>Revenue</b>	<b>Change</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	
<b>Industrial and others</b>	<b>355,673</b>	227,109	57%
Industrial control	<b>196,368</b>	151,130	30%
New energy power generation and energy storage	<b>156,382</b>	75,345	108%
Scientific research institutes and others	<b>2,923</b>	634	361%

The Group provides products such as self-developed power semiconductors, laminated busbars, cell contacting systems, power quality control devices, power 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 officially commenced business related to the construction of new energy power stations in 2023, and achieved scale development in 2024.

For the six months ended 30 June 2025, the revenue of the Group in this sector increased by approximately 57% compared with the same period in 2024, primarily due to the increase in sales of products such as self-developed power semiconductors, laminated busbars and DC support capacitors, as well as the increase in revenue from its business related to new energy power station construction.

### 3. Overseas market performance

The domestic and overseas subsidiaries of the Group are actively exploring overseas markets.

	For the six months ended		Change
	30 June		
	2025	2024	
	Revenue	Revenue	
	(RMB'000)	(RMB'000)	
Overseas market	42,352	38,711	9%
Products of domestic subsidiaries	4,916	2,595	89%
Products of overseas subsidiaries	37,436	36,116	4%

For the six months ended 31 June 2025, the revenue of the Group in the overseas market increased by approximately 9% compared with the same period in 2024, primarily due to the increase in sales of products such as laminated busbars, DC support capacitors and solid-state DC circuit breakers.

## FINANCIAL REVIEW

### Revenue

The revenue of the Group increased by approximately 35.5% from approximately RMB655.8 million for the six months ended 30 June 2024 to approximately RMB888.3 million for the six months ended 30 June 2025, primarily due to the successive delivery of products for the Middle–Southern Saudi Arabia Project and the Gansu Power to Zhejiang Project, as well as the Peru/Chile distributed power flow controller project, and the increase in revenue from the self-produced IGBTs of the Group.

### Cost of sales

The cost of sales of the Group increased by approximately 56.6% from approximately RMB421.0 million for the six months ended 30 June 2024 to approximately RMB659.1 million for the six months ended 30 June 2025, primarily due to the increase in revenue.

### Gross profit and gross profit margin

The gross profit of the Group decreased by approximately 2.3% from approximately RMB234.8 million for the six months ended 30 June 2024 to approximately RMB229.3 million for the six months ended 30 June 2025, primarily due to the decrease in proportion of high gross profit margin products.

The gross profit margin of the Group decreased from approximately 35.8% for the six months ended 30 June 2024 to approximately 25.8% for the six months ended 30 June 2025, 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 increased significantly by approximately 281.0% from approximately RMB34.3 million for the six months ended 30 June 2024 to approximately RMB130.7 million for the six months ended 30 June 2025, primarily due to gains from forward foreign exchange contracts and foreign exchange.

## **Selling and distribution costs**

The selling and distribution costs of the Group increased by approximately 27.1% from approximately RMB47.9 million for the six months ended 30 June 2024 to approximately RMB60.9 million for the six months ended 30 June 2025, primarily due to the increase in market development expenses and number of sales personnel.

## **Administrative expenses**

The administrative expenses of the Group increased by approximately 26.8% from approximately RMB83.7 million for the six months ended 30 June 2024 to approximately RMB106.1 million for the six months ended 30 June 2025, primarily due to the business development and the increase in number of management personnel.

## **Research and development (“R&D”) costs**

The R&D costs of the Group increased by approximately 0.1% from approximately RMB67.8 million for the six months ended 30 June 2024 to approximately RMB67.9 million for the six months ended 30 June 2025.

## **Other expenses and losses**

The other expenses and losses of the Group decreased by approximately 85.9% from approximately RMB24.9 million for the six months ended 30 June 2024 to approximately RMB3.5 million for the six months ended 30 June 2025, primarily due to exchange rate fluctuations.

## **Finance costs**

The finance costs of the Group increased by approximately 3.5% from approximately RMB8.5 million for the six months ended 30 June 2024 to approximately RMB8.8 million for the six months ended 30 June 2025.

## **Profit before tax**

For the reasons mentioned above, the profit before tax of the Group increased from approximately RMB36.3 million for the six months ended 30 June 2024 to approximately RMB112.8 million for the six months ended 30 June 2025.

## **Income tax expense**

The income tax expenses of the Group increased by approximately 77.3% from approximately RMB15.4 million for the six months ended 30 June 2024 to approximately RMB27.3 million for the six months ended 30 June 2025, primarily due to the increase in revenue.

## **Profit and total comprehensive income attributable to owners of the parent**

The net profit margin of the Group, which is calculated as profit attributable to owners of the parent for the period divided by revenue, increased from approximately 5.1% for the six months ended 30 June 2024 to approximately 10.6% for the six months ended 30 June 2025.

The profit attributable to owners of the parent increased significantly by approximately 178.3% from approximately RMB33.7 million for the six months ended 30 June 2024 to approximately RMB93.8 million for the six months ended 30 June 2025.

The total comprehensive income attributable to owners of the parent increased by approximately 150.0% from approximately RMB33.0 million for the six months ended 30 June 2024 to approximately RMB82.5 million for the six months ended 30 June 2025.

## **Inventories**

The inventories of the Group decreased by approximately 12.4% from approximately RMB289.9 million as at 31 December 2024 to approximately RMB253.9 million as at 30 June 2025.

The average inventory turnover days of the Group decreased from approximately 94 days for the year ended 31 December 2024 to approximately 82 days for the six months ended 30 June 2025.

## **Trade and bills receivables**

The trade and bills receivables of the Group decreased by approximately 1.2% from approximately RMB1,161.2 million as at 31 December 2024 to approximately RMB1,147.1 million as at 30 June 2025.

The average trade and bills receivables turnover days of the Group decreased from approximately 233 days for the year ended 31 December 2024 to approximately 204 days for the six months ended 30 June 2025.

## **Trade and bills payables**

The trade and bills payables of the Group increased by approximately 4.2% from approximately RMB416.7 million as at 31 December 2024 to approximately RMB434.0 million as at 30 June 2025, primarily due to the increase in stock.

The average trade and bills payables turnover days of the Group decreased from approximately 120 days for the year ended 31 December 2024 to approximately 116 days for the six months ended 30 June 2025.

## **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, remained stable at approximately 2.2 as at both 31 December 2024 and 30 June 2025.

As at 30 June 2025, the cash and cash equivalents of the Group were mainly denominated in Renminbi and Swiss francs. The cash and cash equivalents of the Group increased by approximately 9.4% from approximately RMB415.5 million as at 31 December 2024 to approximately RMB454.7 million as at 30 June 2025.

As at 30 June 2025, the interest-bearing bank and other borrowings of the Group were denominated in Renminbi. The interest-bearing bank and other borrowings of the Group decreased by approximately 4.7% from approximately RMB299.3 million as at 31 December 2024 to RMB285.3 million as at 30 June 2025.

The gearing ratio of the Group, measured on the basis of total interest-bearing bank and other borrowings to total equity, decreased from approximately 15.0% as at 31 December 2024 to approximately 13.9% as at 30 June 2025.

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 exposures. 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 exposures.

## **Contingent liabilities**

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

## **Pledge of assets of the Group**

As at 30 June 2025, certain of the bills payable of the Group were secured by the bills receivable amounting to approximately RMB50.1 million (31 December 2024: approximately RMB74.0 million).

As at 30 June 2025, bank loans of the Group in the amount of RMB78.7 million were secured by certain of the land use rights and building, plant and machinery with net carrying amounts as at 30 June 2025 of approximately RMB15.8 million and RMB324.1 million (31 December 2024: approximately RMB16.0 million and RMB217.4 million), respectively.

### Events after reporting period

On 11 July 2025, Sunking Pacific Semiconductor Technology (Zhejiang) Co., Ltd.\* (賽晶亞太半導體科技(浙江)有限公司) (“**Sunking Semiconductor**”), which is an indirect non-wholly owned subsidiary of the Company, and its existing shareholders entered into a capital increase agreement (the “**Capital Increase Agreement**”) with Chuangxinyun (Xiamen) Technology Investment Co., Ltd.\* (創鑫雲(廈門)科技投資有限公司), Topenergy Technology Limited (崇竣科技有限公司), Harbour Asia Capital Limited (港灣亞洲資本有限公司) and Success Technology Limited (協芯科技有限公司) (collectively the “**Investors**”), pursuant to which Sunking Semiconductor shall issue, and the Investors shall subscribe for, new registered capital of Sunking Semiconductor corresponding to an aggregate of approximately 9.00% of the enlarged equity interest in Sunking Semiconductor for a total subscription price of RMB180,000,000, which is to be settled by the Investors by transferring the entire equity interest in Hunan Hong’An Microelectronics Co., Ltd.\* (湖南虹安徽電子有限責任公司) (“**Hunan Hong’An**”), which is a company owned by the Investors, to Sunking Semiconductor as contemplated under an equity transfer agreement (the “**Equity Transfer Agreement**”). Upon the completion of the Capital Increase Agreement, the registered capital of Sunking Semiconductor will be increased from USD42,528,706 to USD46,734,842 and the percentage of equity interest of the Company in Sunking Semiconductor will be reduced from approximately 70.5406% to approximately 64.1918% on an enlarged basis.

On 11 July 2025, Sunking Semiconductor and the Investors entered into the Equity Transfer Agreement, pursuant to which Sunking Semiconductor shall acquire, and the Investors shall sell, the entire equity interest in Hunan Hong’An for a total consideration of RMB180,000,000, which is to be settled by Sunking Semiconductor by issuing new registered capital corresponding to an aggregate of approximately 9.00% of the enlarged equity interest in Sunking Semiconductor to the Investors as contemplated under the Capital Increase Agreement.

The Capital Increase Agreement and the Equity Transfer Agreement have yet to complete as at the date of this announcement. Further details of the above transactions are disclosed in the announcements of the Company dated 13 July 2025 and 18 August 2025.

### HUMAN RESOURCES

As at 30 June 2025, the Group employed 1,066 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

In the second half of 2025, the Group will continue to advance the delivery of products ordered for various regular and flexible DC transmission projects, including the Shanbei-Anhui Project, the Middle–Southern Saudi Arabia Project and the Gansu Power to Zhejiang Project, and strive to secure new orders by participating in tenders for the Southeast Tibet Project, the Mengxi to Beijing-Tianjin-Hebei Project, and other newly approved UHVDC transmission projects. Meanwhile, the Group will continue to intensify efforts in technological R&D and market expansion of its self-developed power semiconductor products, with a particular focus on promoting the market development of cutting-edge technologies such as solid-state switches and pulsed power switches targeted at emerging sectors including electrified shipping and controlled nuclear fusion, with the dual aim of driving further increase in sales and laying a solid foundation for its long-term business development.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As at 30 June 2025, the number of shares in issue of the Company (the “**Shares**”, each a “**Share**”) was 1,603,834,000 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**”)).

During the six months ended 30 June 2025, the Company repurchased 1,296,000 Shares on the Stock Exchange for an aggregate purchase price (including relevant expenses) of approximately HK\$1,524,145. Details of the aforesaid repurchases are as follows:

Month of repurchase in 2025	Number of Shares repurchased	Purchase price (including relevant expenses) paid		
		Purchase price per Share Highest (HK\$)	Lowest (HK\$)	(Approximately) (HK\$)
January	240,000	1.33	1.28	314,862
March	440,000	1.29	1.19	555,096
April	616,000	1.17	1.00	654,187
	<u>1,296,000</u>			<u>1,524,145</u>

The 1,296,000 Shares repurchased during the six months ended 30 June 2025 were withdrawn from the Central Clearing and Settlement System, re-registered in the name of the Company, and held by the Company as treasury Shares. During the six months ended 30 June 2025, the Company did not sell any treasury Share. 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 Rules. The Company will not exercise any shareholders’ right or receive any entitlement in respect of the aforesaid treasury Shares.

All the above repurchases were made for the benefit of the Company and its shareholders (the “**Shareholders**”, each a “**Shareholder**”) as a whole, with the aim of increasing the market price per Share and improving investor confidence in the Company.

## **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 Shareholders. 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 set out in Part 2 of the Corporate Governance Code during the six months ended 30 June 2025.

## **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 set out in the Model Code during the six months ended 30 June 2025.

## **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 2025.

## **DIVIDENDS**

The Board has resolved to pay an interim dividend of HK0.01 per Share for the six months ended 30 June 2025 (same period in 2024: Nil) out of the share premium account of the Company. The interim dividend is expected to be paid on or around 22 October 2025 to the Shareholders whose names appear on the register of members of the Company on 8 October 2025. 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\$15,933,980 (same period in 2024: Nil) 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, i.e. Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 3 October 2025. The register of members of the Company will be closed from Monday, 6 October 2025 to Wednesday, 8 October 2025, 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](http://www.hkexnews.hk) and the website of the Company at [www.sunking-tech.com](http://www.sunking-tech.com). The interim report of the Company for the year 2025 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 2025 with the Shareholders and the potential investors of the Company on Monday, 25 August 2025 from 10 a.m. to 11 a.m. (Hong Kong time).

The online meeting will be held on the Tencent Meeting platform. Details of the online meeting participation are as follows:

Tencent Meeting number: 710-461-155

Meeting link: <https://meeting.tencent.com/dm/9jbFHSil7yrS>

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

Hong Kong, 22 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.*

\* For identification purpose only