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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025,
DECLARATION OF FINAL DIVIDEND
AND CLOSURE OF REGISTER OF MEMBERS

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 40.0% to approximately RMB2,254.9 million.
- Gross profit increased by approximately 9.1% to approximately RMB567.9 million.
- Gross profit margin decreased from approximately 32.3% to approximately 25.2%.
- Profit attributable to owners of the parent amounted to approximately RMB137.9 million.
- Earnings per share amounted to approximately RMB8.60 cents (basic) and approximately RMB8.55 cents (diluted).

ANNUAL RESULTS

The board (the “**Board**”) of Directors (the “**Directors**”, and each a “**Director**”) of Sun.King Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the audited annual results of the Group for the year ended 31 December 2025, with the comparative figures for the corresponding year in 2024, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
REVENUE	4	2,254,903	1,610,209
Cost of sales		<u>(1,687,007)</u>	<u>(1,089,538)</u>
Gross profit		567,896	520,671
Other income and gains, net	4	133,893	59,218
Selling and distribution expenses		(142,877)	(106,003)
Administrative expenses		(204,054)	(160,012)
Research and development costs		(152,134)	(137,528)
Other expenses and losses, net		(7,956)	(36,002)
Finance costs	6	(15,520)	(17,973)
Share of profits and losses of: Associates		<u>(13)</u>	<u>(186)</u>
PROFIT BEFORE TAX	5	179,235	122,185
Income tax expense	7	<u>(45,083)</u>	<u>(36,741)</u>
PROFIT FOR THE YEAR		<u>134,152</u>	<u>85,444</u>
OTHER COMPREHENSIVE 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		(3,210)	(4,667)
Exchange differences on translation of foreign operations		<u>(13,112)</u>	<u>3,424</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		<u>(16,322)</u>	<u>(1,243)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>117,830</u>	<u>84,201</u>

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Profit/(loss) attributable to:			
Owners of the parent		137,895	102,522
Non-controlling interests		(3,743)	(17,078)
		<u>134,152</u>	<u>85,444</u>
 Total comprehensive income/(loss) attributable to:			
Owners of the parent		125,718	100,556
Non-controlling interests		(7,888)	(16,355)
		<u>117,830</u>	<u>84,201</u>
 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	 <i>9</i>		
Basic		<u>RMB8.60 cents</u>	<u>RMB6.39 cents</u>
Diluted		<u>RMB8.55 cents</u>	<u>RMB6.39 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		759,911	734,941
Investments properties		15,558	15,720
Right-of-use assets		49,801	52,761
Deposits for purchase of property, plant and equipment		11,818	5,988
Goodwill		182,734	5,689
Other intangible assets		66,286	69,776
Investments in associates		2,400	2,413
Equity investment designated at fair value through other comprehensive income		6,790	10,000
Contract assets	<i>10</i>	64,610	26,938
Time deposits		84,046	80,000
Deferred tax assets		5,428	8,434
		<hr/>	<hr/>
Total non-current assets		1,249,382	1,012,660
CURRENT ASSETS			
Inventories		286,546	289,941
Trade and bills receivables	<i>10</i>	1,241,446	1,161,169
Contract assets	<i>10</i>	11,957	11,752
Prepayments, other receivables and other assets		189,425	116,680
Derivative financial instruments		18,329	–
Pledged deposits		69,417	27,158
Cash and cash equivalents		327,424	415,487
		<hr/>	<hr/>
Total current assets		2,144,544	2,022,187

	<i>Note</i>	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and bills payables	<i>11</i>	535,874	416,724
Other payables and accruals		135,841	140,190
Contract liabilities		35,617	77,400
Lease liabilities		2,989	2,521
Derivative financial instruments		–	6,415
Interest-bearing bank and other borrowings		315,155	254,850
Tax payable		24,438	36,950
		<hr/>	<hr/>
Total current liabilities		1,049,914	935,050
		<hr/>	<hr/>
NET CURRENT ASSETS		1,094,630	1,087,137
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,344,012	2,099,797
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		22,220	44,440
Lease liabilities		2,111	4,282
Deferred income		49,372	53,649
Deferred tax liabilities		1,090	1,470
		<hr/>	<hr/>
Total non-current liabilities		74,793	103,841
		<hr/>	<hr/>
Net assets		2,269,219	1,995,956
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the parent			
Issued capital		137,562	137,351
Treasury shares		(10,050)	(8,641)
Reserves		2,012,372	1,795,666
		<hr/>	<hr/>
		2,139,884	1,924,376
Non-controlling interests		129,335	71,580
		<hr/>	<hr/>
Total equity		2,269,219	1,995,956
		<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP 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 (the “**Stock Exchange**”) 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 year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were principally engaged in the trading and manufacture of power electronic components.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 Disclosures about Uncertainties in the Financial Statements, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The amendments did not have any impact on the Group’s financial statements.

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 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% (2024: over 94%) 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.

Information about major customers

Revenue from single customers that individually accounted for 10% or more of the Group’s revenue is as follows:

In 2025, revenue of approximately RMB406,308,000 and RMB268,670,000 were derived from sales to customers A and B, respectively.

In 2024, revenue of approximately RMB201,215,000 was derived from sales to customers C.

4. REVENUE, OTHER INCOME AND GAINS, NET

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

	2025	2024
	RMB'000	RMB'000
Sale of power electronic components	<u>2,254,903</u>	<u>1,610,209</u>

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

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of power electronic components	<u>73,216</u>	<u>26,950</u>

An analysis of other income and gains is as follows:

	2025	2024
	RMB'000	RMB'000
Government grants*	59,325	37,567
Bank interest income	4,619	8,763
Interest income arising from revenue contracts	2,210	1,572
Foreign exchange differences, net	13,872	–
Fair value gains on foreign currency forward contracts, net	51,010	–
Fair value gains on financial investments at fair value through profit or loss	341	2,350
Fair value gains on financial investments at fair value through other comprehensive income upon derecognition	–	5,250
Gain on disposal of idle/scrap materials	2,041	1,430
Gain on bargain purchase	–	1,459
Gain on commodity futures contracts	–	124
Others	475	703
Total other income and gains	<u>133,893</u>	<u>59,218</u>

* 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 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):

	<i>Note</i>	2025 RMB'000	2024 <i>RMB'000</i>
Cost of inventories sold		1,689,591	1,077,788
Write-down/(reversal of write-down) of inventories to net realisable value, net		<u>(2,584)</u>	<u>11,750</u>
Cost of sales		<u>1,687,007</u>	<u>1,089,538</u>
Auditor's remuneration		1,800	1,700
Depreciation of property, plant and equipment		50,819	45,342
Depreciation of right-of-use assets		4,637	5,177
Amortisation of deferred development costs**		10,658	8,381
Amortisation of other intangible assets** (excluding deferred development costs)		4,610	4,421
Lease payments not included in the measurement of lease liabilities		869	687
Impairment of trade receivables and contract assets, net*	<i>10</i>	7,131	1,052
Reversal of impairment of financial assets included in prepayments, other receivables and other assets, net*		(181)	(10)
Foreign exchange differences, net*		–	14,137
Fair value losses on foreign currency forward contracts, net*		–	18,155
Loss on disposal of property, plant and equipment *		271	2,411
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages and salaries		156,249	129,269
Share-based payment expense		15,851	76
Pension scheme contributions***		25,816	20,154
Total		<u>197,916</u>	<u>149,499</u>

* These impairment and loss items are included in "Other expenses and losses, net" in profit or loss.

** These amortisation items are included in "administrative expenses" in profit or loss.

*** At 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Nil).

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	RMB'000
Interest on bank loans	6,770	9,146
Interest on other loans	8,552	8,576
Interest on lease liabilities	198	251
	<hr/>	<hr/>
Total	15,520	17,973
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7. INCOME TAX

Under the PRC income tax laws, enterprises are subject to corporate income tax (“CIT”) at a rate of 25% (2024: 25%). Certain subsidiaries of the Group are qualified as high technology enterprises and hence are granted a preferential CIT rate of 15% (2024: 15%).

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 years ended 31 December 2025 and 2024.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The Group’s subsidiaries established in Switzerland, Germany and Netherlands are subject to local corporate taxes of approximately 18% (2024: approximately 18%), 32% (2024: approximately 32%) and 25.8% (2024: 25.8%), respectively.

	2025	2024
	RMB'000	RMB'000
Current:		
Chinese mainland – charge for the year	39,322	40,045
over-/ (under-) provision in prior years	172	(383)
Europe – charge for the year	3,083	659
	<hr/>	<hr/>
Subtotal	42,577	40,321
Deferred	2,506	(3,580)
	<hr/>	<hr/>
Total tax charge for the year	45,083	36,741
	<hr/> <hr/>	<hr/> <hr/>

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2025

	Chinese mainland <i>RMB'000</i>	Hong Kong <i>RMB'000</i>	Europe <i>RMB'000</i>	Total <i>RMB'000</i>
Profit/(loss) before tax	<u>217,503</u>	<u>(18,864)</u>	<u>(19,404)</u>	<u>179,235</u>
Tax at the statutory tax rate	54,376	(3,112)	(3,818)	47,446
Lower tax rates for specific provinces or enacted by local authority	(27,581)	–	–	(27,581)
Loss attributable to associates	2	–	–	2
Expenses not deductible for tax	10,985	6,419	1,055	18,459
Additional deductible allowance for research and development expenses	(18,882)	–	–	(18,882)
Tax losses utilised from previous periods	(2,008)	(3,307)	–	(5,315)
Tax losses not recognised	21,903	–	6,379	28,282
Adjustments in respect of current tax of previous periods	172	–	–	172
Withholding tax on intra-group inter-company dividend	<u>2,500</u>	<u>–</u>	<u>–</u>	<u>2,500</u>
Tax charge at the Group's effective rate	<u>41,467</u>	<u>–</u>	<u>3,616</u>	<u>45,083</u>

2024

	Chinese mainland <i>RMB'000</i>	Hong Kong <i>RMB'000</i>	Europe <i>RMB'000</i>	Total <i>RMB'000</i>
Profit/(loss) before tax	<u>170,564</u>	<u>(15,101)</u>	<u>(33,278)</u>	<u>122,185</u>
Tax at the statutory tax rate	42,641	(2,492)	(6,114)	34,035
Lower tax rates for specific provinces or enacted by local authority	(27,945)	–	–	(27,945)
Loss attributable to associates	28	–	–	28
Income not subject to tax	–	(1,939)	–	(1,939)
Expenses not deductible for tax	11,712	1,210	902	13,824
Additional deductible allowance for research and development expenses	(15,288)	–	–	(15,288)
Tax losses utilised from previous periods	(4,171)	–	(1,246)	(5,417)
Tax losses not recognised	27,452	3,221	6,653	37,326
Adjustments in respect of current tax of previous periods	(383)	–	–	(383)
Withholding tax on intra-group inter-company dividend	<u>2,500</u>	<u>–</u>	<u>–</u>	<u>2,500</u>
Tax charge at the Group's effective rate	<u>36,546</u>	<u>–</u>	<u>195</u>	<u>36,741</u>

There was no share of tax attributable to associates for the year ended 31 December 2025(2024: Nil).

8. DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interim – HK1 cent (2024: Nil) per ordinary share	14,615	–
Proposed final – HK1 cent per ordinary share	<u>14,411</u>	<u>14,766</u>
	<u>29,026</u>	<u>14,766</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent of RMB137,895,000 (2024: RMB102,522,000), and the weighted average number of ordinary shares of 1,603,394,456 (2024: 1,603,771,021) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year 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 year, 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>137,895</u>	<u>102,522</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	1,603,394,456*	1,603,771,021*
Effect of dilution – weighted average number of ordinary shares:		
Share options	<u>9,873,732</u>	<u>278,060</u>
Total	<u>1,613,268,188</u>	<u>1,604,049,081</u>

* The weighted average number of shares was after taking into account the effect of treasury shares held.

10. TRADE AND BILLS RECEIVABLES/CONTRACT ASSETS

	2025		2024
	<i>RMB'000</i>		<i>RMB'000</i>
Trade receivables	1,058,961		922,229
Impairment	(22,392)		(15,585)
	<hr/>		<hr/>
Net carrying amount	1,036,569		906,644
Bills receivable	204,877		254,525
	<hr/>		<hr/>
Total	1,241,446		1,161,169
	<hr/> <hr/>		<hr/> <hr/>
	31 December	31 December	1 January
	2025	2024	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets	77,041	38,840	45,303
Impairment	(474)	(150)	(175)
	<hr/>	<hr/>	<hr/>
Net carrying amount	76,567	38,690	45,128
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Analysed into:			
Current portion	11,957	11,752	9,669
Non-current portion	64,610	26,938	35,459
	<hr/>	<hr/>	<hr/>
Total	76,567	38,690	45,128
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 contract assets and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Concentration of credit risk is managed by customer/counterparty. The Group does not hold any collateral or other credit enhancements over its trade receivable and contract assets balances. Trade receivables and contract assets are non-interest-bearing.

For certain customers, the Group allows a percentage, ranging from 5% to 10%, of the contracted amount (the retention money) to be settled within six months to sixty months, as agreed between the Group and the respective customers on a case by case basis, subsequent to the fulfilment of certain conditions including normal operation of the product within warranty period as stipulated in the respective sales contracts. Contract assets are recognised for revenue earned from the sale of products as the receipt of consideration is conditional on the successful expiry of warranty period. Upon the expiry of the warranty period, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 and 2024 are the result of the receipt of sales contract amounts and expiration of quality guarantee deposits.

The expected timing of recovery or settlement for contract assets as at the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within one year	11,957	11,752
More than one year	64,610	26,938
	<hr/>	<hr/>
Total contract assets	76,567	38,690
	<hr/> <hr/>	<hr/> <hr/>

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 month	656,013	518,522
4 to 6 months	179,582	188,948
7 to 12 months	123,895	117,107
Over 1 year	77,079	82,067
	<hr/>	<hr/>
Total	1,036,569	906,644
	<hr/> <hr/>	<hr/> <hr/>

At 31 December 2025, the Group's bills receivable would mature within six (2024: six) months.

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	15,585	14,508
Impairment losses, net (note 5)	6,807	1,077
	<hr/>	<hr/>
At end of year	22,392	15,585
	<hr/> <hr/>	<hr/> <hr/>

The increase in the loss allowance in 2025 and 2024 was mainly due to the increase in sales contract amounts.

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of year	150	175
Impairment losses, net (<i>note 5</i>)	<u>324</u>	<u>(25)</u>
At end of year	<u><u>474</u></u>	<u><u>150</u></u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customers with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome and the reasonable and supportable information that is available at the reporting date about past events after taking into consideration of forward-looking information. For trade receivables and contract assets due from some major customers (Tier 1 customers), the Group is of opinion that there will be no expected credit loss on these accounts even though these trade receivables and contract assets are overdue, based on their credit rating and no history of default on these accounts.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

31 December 2025

<i>RMB'000</i>	Within credit period	Past due				Total
		Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Gross carrying amount	636,389	438,157	44,953	9,263	7,240	1,136,002
Amount from Tier 1 customers	<u>4,401</u>	–	–	–	–	<u>4,401</u>
Carrying amount without Tier 1 customers	631,988	438,157	44,953	9,263	7,240	1,131,601
Expected credit loss rate (%)	0.55	0.55	12.74	43.70	100	2.02
Expected credit losses	<u>3,459</u>	<u>2,393</u>	<u>5,726</u>	<u>4,048</u>	<u>7,240</u>	<u>22,866</u>

31 December 2024

<i>RMB'000</i>	Within credit period	Past due				Total
		Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Gross carrying amount	587,452	324,560	37,988	3,762	7,307	961,069
Amount from Tier 1 customers	<u>22,918</u>	–	–	–	–	<u>22,918</u>
Carrying amount without Tier 1 customers	564,534	324,560	37,988	3,762	7,307	938,151
Expected credit loss rate (%)	0.36	0.36	10.09	36.95	100	1.68
Expected credit losses	<u>2,033</u>	<u>1,172</u>	<u>3,833</u>	<u>1,390</u>	<u>7,307</u>	<u>15,735</u>

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within six months	482,620	366,017
Over six months	53,254	50,707
Total	535,874	416,724

The trade payables are non-interest-bearing and are normally settled on terms ranging from 30 days to 180 days.

At 31 December 2025, Group's bills payable are secured by the pledge of the Group's bills receivable amounting to RMB44,573,000 (2024: RMB74,084,000) (note 10).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Analysis of the performance

1. Domestic and overseas market performance

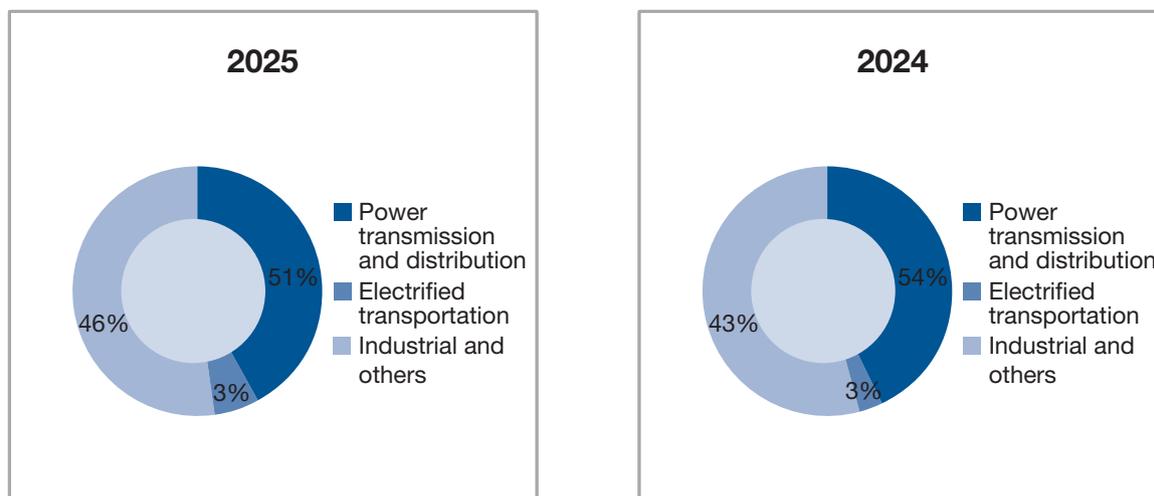
	For the year ended 31 December			
	2025		2024	
	Revenue (RMB'000)	Gross profit margin	Revenue (RMB'000)	Gross profit margin
Domestic market	2,142,149	23.8%	1,520,030	31.5%
Overseas market	112,754	52.3%	90,179	46.9%
Total	2,254,903	Average 25.2%	1,610,209	Average 32.3%

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 Group's performance in the domestic market is as follows:

Applied sectors	For the year ended 31 December			
	2025		2024	
	Revenue (RMB'000)	Gross profit margin	Revenue (RMB'000)	Gross profit margin
Power transmission and distribution	1,090,481	48.4%	812,017	44.3%
Electrified transportation	60,470	15.1%	49,446	20.8%
Industrial and others	991,198	13.0%	658,567	16.5%
Total	2,142,149	Average 23.8%	1,520,030	Average 31.5%

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 year ended 31 December		Change
	2025	2024	
	Revenue	Revenue	
	(RMB' 000)	(RMB' 000)	
Power transmission and distribution sector	1,090,481	812,017	34%
Regular direct current (“DC”) transmission ^(Note 1)	183,074	366,981	-50%
Flexible transmission ^(Note 2)	689,358	280,886	145%
Other power transmission and distribution	218,049	164,150	33%

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 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 devices distributed by the Group to the sub-sectors of regular DC transmission and the flexible transmission.

In 2023, the construction of ultra-high voltage (“UHV”) DC (“UHVDC”) transmission projects accelerated significantly. In 2024 and 2025, flexible DC transmission projects became the core of construction. Among the six domestic and overseas DC transmission projects that successively commenced during the period, four projects adopted flexible or hybrid DC transmission technologies. Furthermore, to align with the development of new energy power and cope with the needs of building novel power systems, the number of diverse flexible transmission projects, including offshore wind power grid connection, flexible low-frequency transmission, regional grid interconnection and grid-forming projects, increased significantly. In 2025, the Group primarily delivered ordered products for regular high-voltage DC transmission projects, including the Hami–Chongqing $\pm 800\text{kV}$ UHVDC transmission project, the Shaanxi–Anhui $\pm 800\text{kV}$ UHVDC transmission project, and the $\pm 600\text{kV}$ DC transmission and transformation project of Itaipu Binacional of Brazil. In the flexible transmission sub-sector, the Group primarily delivered ordered products for projects such as the middle–southern Saudi Arabia $\pm 500\text{kV}$ flexible DC transmission conversion station project and the Gansu–Zhejiang $\pm 800\text{kV}$ UHVDC transmission project (the “**Gansu Power to Zhejiang Project**”).

In 2025, revenue of the Group from the regular DC transmission sub-sector and the flexible transmission sub-sector was approximately RMB872.4 million in aggregate, representing an increase of approximately 35% as compared to 2024. Also, this marked significant growth achieved for three consecutive years, with a compound growth rate of approximately 86%. Separately, due to the development trend featuring “flexibilisation” in the UHVDC transmission, in 2025, revenue of the Group from the regular DC transmission sub-sector was approximately RMB183.1 million, representing a decrease of approximately 50% as compared to 2024, while revenue of the Group from the flexible transmission sub-sector was approximately RMB689.4 million, representing an increase of approximately 145% as compared to 2024.

(ii) Other power transmission and distribution

The Group provides products such as intelligent power grid online monitoring systems and power capacitors to the other power transmission and distribution sub-sector. In 2025, revenue of the Group from the other power transmission and distribution sub-sector was approximately RMB218.0 million, representing an increase of approximately 33% as compared to 2024, which was primarily due to the significant increase in bid-winning amount of the power capacitor products of the Group in tenders on power transmission and transformation equipment conducted by State Grid.

(b) Electrified transportation sector

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

	For the year ended 31 December		
	2025	2024	
	Revenue	Revenue	Change
	(RMB'000)	(RMB'000)	
Electrified transportation sector	60,470	49,446	22%
Rail transportation	50,665	44,661	13%
Electric vehicles	1,360	1,626	-16%
Other transportation	8,445	3,159	167%

(i) Rail transportation

The Group provides a wide range of power electronic components for traction converter systems to the manufacturers of rail transit vehicle equipment, and products such as power quality control devices to the manufacturers of rail transportation power supply system. In 2025, the Group saw an increase in orders from the manufacturers of CRH5 electric multiple units (EMU), power-centralised motor units and “new eight-axle” electric locomotive. Revenue of the Group from the rail transportation sub-sector was approximately RMB50.7 million, representing an increase of approximately 13% as compared to 2024.

(ii) Electric vehicles

The Group provides products such as laminated busbars, cell contacting systems and self-developed power semiconductor (including insulated gate bipolar transistors (“IGBTs”, each an “IGBT”) and silicon carbide (“SiC”)) to the electric vehicles sub-sector. In 2025, revenue of the Group from the electric vehicle sub-sector was approximately RMB1.4 million, representing a decrease of approximately 16% as compared to 2024. The Group’s passenger car-specific IGBT module products of the Group passed the testing and validation conducted by an industry-leading company but bulk supply has not commenced yet.

(iii) Other transportation

The Group provides power electronic components and devices to other transportation sub-sectors such as marine and aerospace in the People’s Republic of China (the “**PRC**”). In 2025, due to the increase in orders from the electrified shipping sector, revenue of the Group from the other transportation sub-sector was approximately RMB8.4 million, representing an increase of approximately 167% as compared to 2024.

(c) **Industrial and others sector**

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

	For the year ended 31 December		Change
	2025	2024	
	Revenue	Revenue	
	(RMB’000)	(RMB’000)	
Industrial and others sector	991,198	658,567	51%
Industrial control	408,037	379,818	7%
New energy power generation and energy storage	576,940	273,558	111%
Scientific research institutes and others	6,221	5,191	20%

The Group provides products such as self-developed power semiconductors, laminated busbars, cell contacting systems, power quality control devices, power capacitors, DC support capacitors and power semiconductor devices distributed by the Group to the 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 2025, revenue of the Group from the industrial control sub-sector was approximately RMB408.0 million, representing an increase of approximately 7% as compared to 2024, which was primarily due to the increase in sale of self-developed power semiconductors and DC support capacitors in this sub-sector. In addition, the Group officially commenced business related to the construction of new energy power stations in 2023, and achieved scale development in 2024. In 2025, revenue of the Group from the new energy power generation and energy storage sub-sector was approximately RMB576.9 million, representing an increase of approximately 111% as compared to 2024.

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 year ended 31 December		
	2025	2024	Change
	Revenue	Revenue	
	(RMB'000)	(RMB'000)	
Overseas market	112,754	90,179	25%
Products of domestic subsidiaries	8,598	15,598	-45%
Products of overseas subsidiaries	104,156	74,581	40%

In 2025, due to the rapid growth in sale of products of overseas subsidiaries in the marine sector, revenue of the Group from overseas markets achieved approximately RMB112.8 million, representing an increase of approximately 25% as compared to 2024.

Development in research and development (“R&D”) and business

The Group has all along committed to the business philosophy of “technological innovation as the primary driving force of corporate development”, under which the Group continuously strengthens the construction of its R&D system and optimises its resources allocation, in order to enhance its capabilities of independent innovation and core technological competitiveness, thereby laying a solid foundation for the long-term corporate growth.

The Group continues to increase its investment in R&D. In 2025, the R&D investment of the Group was approximately RMB152.1 million, representing approximately 7% of the revenue of the Group. The R&D projects undertaken cover multiple strategic emerging fields and future industries, including UHV transmission, intelligent power grid, wind and photovoltaic power storage integration, and controlled nuclear fusion. As at the end of 2025, the Group possessed 289 valid patents, including 72 invention patents. In addition, there were 79 patent applications under review, including 64 invention patent applications. As at the end of 2025, four subsidiaries of the Group were selected for the list of specialised, refined, featured and original little giant enterprises of the PRC, and two subsidiaries were selected for the provincial list of specialised, refined, featured and original small and medium sized enterprises.

1. Power transmission and distribution sector

Driven by the sustained growth in new energy-based power transmission demand, a new series of large-scale construction of UHVDC transmission projects has commenced since 2023, with significant growth achieved in both number of projects and investment scale. Concurrently, to address the new challenges brought to flexibility and stability of grid by the increased share of new energy power, technologies such as flexible DC transmission and grid-forming technologies were under accelerated application in the construction of novel power systems. The remarkable results of the Group in this sector were attributable to a favorable environment of industry development and benefited from continuous technological R&D and innovation of the Group in this sector. The Group has consistently kept abreast of national policies and guidance as well as industry development trends to research and develop innovative products including anode saturation reactors, power capacitors, DC support capacitors, and online monitoring systems. In 2025, the Group's self-developed DC support capacitors for flexible DC transmission achieved a breakthrough in domestic production, thereby securing a 75% domestic product usage in the Gansu Power to Zhejiang Project. In addition, the online monitoring system for DC support capacitors developed by the Group has been delivered in batches.

During the implementation of the "15th Five-Year Plan", State Grid and Southern Grid are expected to significantly scale up their investment in the sectors of UHVDC and flexible transmissions, thereby providing strong support for the development of the relevant businesses of the Group.

2. Self-developed power semiconductors

In 2025, the Group launched IGBT and FRD chips utilising the seventh-generation micro-trench technology to increase the current of 1,200V and 1,700V chip products to an industry-leading 300A. For the IGBT module, the Group launched 4 product series, namely EP type, FP type, TF type and BEVD type, and added product models of ED type and ST type to this lineup. As a result, the number of models of IGBT modules for sale increased to 37 (2024: 12).

The continuous rollout of new products was the key reason for the rapid growth in revenue achieved by the self-developed power semiconductors of the Group in 2025. In 2025, revenue of the Group from self-developed power semiconductors was approximately RMB120.9 million (of which revenue from new IGBT module products accounted for approximately 43%), representing an increase of approximately 104% as compared to 2024. The Group secured 55 new contracted customers, including various leading enterprises in sectors such as photovoltaic power, energy storage, industrial control and commercial electric drives. In particular, significant breakthroughs were achieved in power supply and commercial electric drive sectors.

With the deepening of industrial electrification, electrified transportation and intelligent construction and the surge in demands for electricity consumption from artificial intelligence and data centres, "green power + energy storage" and "synergy between computing and electricity" have become the development direction of the new energy industry.

The Group's efforts in the R&D and production of power semiconductor chips and module products, including IGBT, FRD and SiC, have served the needs of the "green power + energy storage + computing power" sectors with corresponding power semiconductor products. In 2026, the Group will focus on commencing the R&D of new SiC MOSFET products for photovoltaic power, wind power, electric drive, data centre power supply and other sectors as well as new IGBT products, thereby deeply serving the needs of the industrial development.

3. Frontier industries

Currently, the new wave of global technological revolution and industrial transformation have undergone accelerated development. Against the backdrop of booming industries such as artificial intelligence and big data, and with the wave of electrification sweeping across the world, industries including nuclear fusion are poised to embrace significant development opportunities in the future. As the core support of the aforesaid sectors, solid-state switching technology face escalating market demands and technical requirements. Leveraging its expert team with extensive industry experience, the Group has made in-depth positioning in the field of medium-voltage solid-state switches, thereby forming a core competitive advantage.

(a) Solid-state DC circuit breakers

Featuring high reliability and adaptability, the Group's solid-state DC circuit breaker products have been applied in various projects in medium-voltage DC distribution and DC microgrids and other sectors, particularly within the scenario of medium-voltage distribution for electrified shipping, thus making the Group a key supplier within relevant sectors.

The data centre industry has broad development prospects. Leveraging its technological expertise and industry-leading advantages in solid-state DC circuit breakers, the Group will increase the R&D investment to advance the R&D of solid-state DC circuit breaker products serving solid-state transformers in data centres.

(b) Pulse power switches

The Group's pulse power switches have been used in over 80 domestic and overseas projects cumulatively, with application scenarios covering various high-end sectors including scientific research on high-energy physics and nuclear fusion. Notably, within the pivotal future energy sector of controlled nuclear fusion, the Group's pulse power switches have been successfully applied in two controlled nuclear fusion projects in the United States. Leveraging the indicators of product technologies tailored to the scenario of nuclear fusion, product reliability, and capabilities to provide customised solutions, the Group has established itself as a key partner in the field of scientific research on nuclear fusion across the world. In 2025, the Group secured an order for pulse power switches from an enterprise in the United States which is engaged in controlled nuclear fusion.

Revenue

The revenue increased by approximately 40.0% from approximately RMB1,610.2 million for the year ended 31 December 2024 to approximately RMB2,254.9 million for the year ended 31 December 2025, primarily due to the increase in both revenue from the flexible transmission sector and self-manufactured insulated gate bipolar transistors.

Cost of sales

The cost of sales increased by approximately 54.8% from approximately RMB1,089.5 million for the year ended 31 December 2024 to approximately RMB1,687.0 million for the year ended 31 December 2025, primarily due to the increase in revenue.

Gross profit and gross profit margin

The gross profit increased by approximately 9.1% from approximately RMB520.7 million for the year ended 31 December 2024 to approximately RMB567.9 million for the year ended 31 December 2025, primarily due to the increase in revenue.

The gross profit margin decreased from approximately 32.3% for the year ended 31 December 2024 to approximately 25.2% for the year ended 31 December 2025, primarily due to the relatively low gross profit of products of the new energy business.

Other income and gains

The other income and gains increased by approximately 126.2% from approximately RMB59.2 million for the year ended 31 December 2024 to approximately RMB133.9 million for the year ended 31 December 2025, primarily due to the exchange gains and the increase in gains on foreign exchange forward contracts entered into to mitigate foreign exchange risks of purchases in foreign currencies.

Selling and distribution expenses

The selling and distribution expenses increased by approximately 34.8% from approximately RMB106.0 million for the year ended 31 December 2024 to approximately RMB142.9 million for the year ended 31 December 2025, primarily due to the increase in market development expenses and number of sales personnel.

Administrative expenses

The administrative expenses increased by approximately 27.6% from approximately RMB160.0 million for the year ended 31 December 2024 to approximately RMB204.1 million for the year ended 31 December 2025, primarily due to the increase in business volume and the increase in number of management personnel.

R&D costs

The R&D costs increased by approximately 10.6% from approximately RMB137.5 million for the year ended 31 December 2024 to approximately RMB152.1 million for the year ended 31 December 2025, primarily due to the increase in R&D investment.

Other expenses and losses

The other expenses and losses decreased by approximately 77.8% from approximately RMB36.0 million for the year ended 31 December 2024 to approximately RMB8.0 million for the year ended 31 December 2025, primarily due to exchange rate fluctuations.

Finance costs

The finance costs decreased by approximately 13.9% from approximately RMB18.0 million for the year ended 31 December 2024 to approximately RMB15.5 million for the year ended 31 December 2025, primarily due to the decrease in average balance of bank loans and bank interest rates.

Profit before tax

The profit before tax increased by approximately 46.6% from approximately RMB122.2 million for the year ended 31 December 2024 to approximately RMB179.2 million for the year ended 31 December 2025, primarily due to the increase in revenue.

Income tax expense

The income tax expenses increased by approximately 22.9% from approximately RMB36.7 million for the year ended 31 December 2024 to approximately RMB45.1 million for the year ended 31 December 2025, primarily due to the increase in profit before tax.

Total comprehensive revenue for the year

The net profit margin, which is calculated as profit attributable to owners of the parent for the year divided by revenue, decreased from approximately 6.4% for the year ended 31 December 2024 to approximately 6.1% for the year ended 31 December 2025.

The profit attributable to owners of the parent increased by approximately 34.5% from approximately RMB102.5 million for the year ended 31 December 2024 to approximately RMB137.9 million for the year ended 31 December 2025, primarily due to (a) the increase in gross profit resulting from the increase in revenue; and (b) the increase in other income and gains, mainly including exchange gains and gains on foreign exchange forward contracts entered into to mitigate foreign exchange risks of purchases in foreign currencies.

The total comprehensive income attributable to owners of the parent increased by approximately 25.0% from approximately RMB100.6 million for the year ended 31 December 2024 to approximately RMB125.7 million for the year ended 31 December 2025, primarily due to the increase in profit attributable to the parent.

Inventories

The inventories decreased by approximately 1.2% from approximately RMB289.9 million as at 31 December 2024 to approximately RMB286.5 million as at 31 December 2025.

The average inventory turnover days decreased from approximately 94 days for the year ended 31 December 2024 to approximately 82 days for the year ended 31 December 2025.

Trade and bills receivables

The trade and bills receivables increased by approximately 6.9% from approximately RMB1,161.2 million as at 31 December 2024 to approximately RMB1,241.4 million as at 31 December 2025, primarily due to the increase in revenue.

The average trade and bills receivables turnover days decreased from approximately 233 days for the year ended 31 December 2024 to approximately 192 days for the year ended 31 December 2025.

Trade and bills payables

The trade and bills payables increased by approximately 28.6% from approximately RMB416.7 million as at 31 December 2024 to approximately RMB535.9 million as at 31 December 2025, primarily due to the increase in procurement volume during the year.

The average trade and bills payables turnover days decreased from approximately 120 days for the year ended 31 December 2024 to approximately 103 days for the year ended 31 December 2025, primarily due to the account period management.

Liquidity and financial resources

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

The current ratio (current assets divided by current liabilities) decreased from approximately 2.2 as at 31 December 2024 to approximately 2.0 as at 31 December 2025, primarily due to the increase in accounts payable.

As at 31 December 2025, the cash and bank balances denominated in Renminbi amounted to approximately RMB207.9 million (2024: approximately RMB258.7 million). The cash and cash equivalents decreased by approximately 21.2% from approximately RMB415.5 million as at 31 December 2024 to approximately RMB327.4 million as at 31 December 2025, primarily due to the expenditure on purchase and construction of fixed assets.

As at 31 December 2025, the interest-bearing bank and other borrowings were denominated in Renminbi. The interest-bearing bank and other borrowings increased by approximately 12.7% from approximately RMB299.3 million as at 31 December 2024 to RMB337.4 million as at 31 December 2025, primarily due to the adjustments to capital structure.

The gearing ratio, measured on the basis of total interest-bearing bank and other borrowings divided by total equity, slightly decreased from approximately 15.0% as at 31 December 2024 to approximately 14.9% as at 31 December 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 manage its exchange rate exposures.

Contingent liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

Pledge of Group's assets

As at 31 December 2025, certain of the Group's land use rights with net carrying amounts of approximately RMB15.6 million (2024: approximately RMB16.0 million) were pledged to secure general banking facilities granted to the Group.

As at 31 December 2025, certain of the Group's buildings, plant and machinery with net carrying amounts of approximately RMB330.8 million (2024: approximately RMB217.4 million) were pledged to secure general banking facilities granted to the Group.

At 31 December 2025, certain bills receivable of the Group with an aggregate carrying amount of approximately RMB44.6 million (2024: approximately RMB74.1 million) were pledged to secure certain of the Group's bills payable.

Events after reporting year

There were no important events affecting the Group which have occurred since 31 December 2025 and up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed 1,166 employees. Key components of the Group's remuneration packages included basic salary, medical insurance, discretionary cash bonus, retirement benefit scheme and share options. The Group conducts periodic appraisals on the performance of its employees, and their salaries and bonuses are performance-based. The Group focuses on the establishment of internal management training and development systems. Therefore, the Group has adopted diversified training courses to meet the different needs of employees at all levels and to enhance their skill set. 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 ahead, the global energy transition is entering a deepened phase where the construction of novel power systems under the guidance of the dual-carbon strategy is accelerated. UHV transmission, new energy power generation and energy storage, data centre power supply and controllable nuclear fusion are capitalising on opportunities for their historic development. As the technology on power electronics serves as the core support for upgrading the energy industry, market demands and the room for technological innovation remain scalable.

The UHV transmission sector is set to undergo deep development in terms of flexibilisation and intelligence. During the implementation of the "15th Five-Year Plan", State Grid is expected to invest up to RMB4 trillion in fixed assets and Southern Grid continues to increase in investments, thereby driving expansion and upgrading of UHVDC transmission channels and cross-region and cross-province transmission networks. Flexible transmission and grid-forming technologies will become key components for the construction of novel power system, thus bringing long-term incremental demands for the related businesses of the Group.

The new energy power generation and energy storage industries will enter a phase of large-scale and high-quality development. The share of photovoltaic and wind power installations will continue to rise, and the diversified application of energy storage technologies and system integration capabilities will be increasingly required. "Green power + energy storage" is becoming the mainstream model of energy supply. Meanwhile, the development of artificial intelligence and digital economy is driving the surge in demands for electricity consumption from data centres. Under the trend featuring "integration of computing and electricity", the demand for efficient, energy-saving and highly reliable power semiconductors from the power supply of data centres is rapidly increasing. The application scenarios of high-end components such as SiC and next-generation IGBTs will continue to expand. In addition, controlled nuclear fusion, as an important direction for the future energy of humanity, is steadily progressing in scientific researches and industrialisation and has become the key advanced application area for power control and switching technologies. Given the increasing demands for high-voltage, high-current, high-reliability pulse power components and customised solutions, a new development arena is opened up for the industry.

Based on the trend of industry development, the Group will continue to take technological innovation as its core driving force, while seizing the opportunities presented by the “15th Five-Year Plan” for the energy industry, and deepening its presence in the UHV transmission sector. It will continuously iterate core components and system technologies for flexible transmission, and support the construction of the backbone network of novel power systems. Also, the Group will focus on key scenarios such as new energy-based power generation, energy storage, and power supply for data centres, increase its efforts in the R&D, as well as industrialisation of high-end power semiconductors such as IGBTs and SiC, while developing a core product system adapted to “green power + energy storage + computing power”. It will also prospectively lay out future industries such as controlled nuclear fusion, leverage its technological expertise and project experience in sectors such as pulse power switching, deepen its cooperation with global partners, and continuously break through the core technological challenges.

The Company will always uphold its mission of “promoting the development of green energy with technological innovation”, empower the upgrading of the energy industry with core technologies, and achieve synergistic development between the enterprise and the industry while serving the national energy strategy, thereby contributing to the global energy-based transformation and sustainability.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

As at 31 December 2025, the number of shares of the Company (the “**Shares**”, each a “**Share**”) in issue was 1,606,148,000 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 year ended 31 December 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 per Share		Purchase price (including relevant expenses) paid (Approximately) (HK\$)
		Highest (HK\$)	Lowest (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 year ended 31 December 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. 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. During the year ended 31 December 2025, the Company did not sell any treasury Share. 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.

Save for the aforesaid, the Group did not purchase, sell or redeem any Share during the year ended 31 December 2025.

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 practices. The Board also reviews and monitors the practices of the Company from time to time with the aim of maintaining and improving the standard of corporate governance practices. The Company met the applicable code provisions as set out in Part 2 of the Corporate Governance Code during the year ended 31 December 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 as set out in the Model Code during the year ended 31 December 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 the review of the audited consolidated financial statements of the Group for the year ended 31 December 2025.

DIVIDEND

The Board has recommended the payment of a final dividend of HK\$0.01 per Share for the year ended 31 December 2025 (2024 : HK\$0.01) out of the share premium account of the Company. The proposed final dividend is subject to the approval by the Shareholders in the forthcoming annual general meeting of the Company (the “**Annual General Meeting**”) and will be paid on or around Monday, 29 June 2026 to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 11 June 2026.

ANNUAL GENERAL MEETING

The Annual General Meeting is scheduled to be held on Tuesday, 2 June 2026 at 10:00 a.m.. The notice of Annual General Meeting will be issued in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to establish the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting, 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 Wednesday, 27 May 2026. The register of members of the Company will be closed from Thursday, 28 May 2026 to Tuesday, 2 June 2026, both days inclusive, during which period no transfer of Shares will be registered. The Shareholders whose names appear on the register of members of the Company on Tuesday, 2 June 2026 are entitled to attend and vote at the Annual General Meeting.

In order to establish the identity of the Shareholders who are entitled to the proposed final 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, 8 June 2026. The register of members of the Company will be closed from Tuesday, 9 June 2026 to Thursday, 11 June 2026, both days inclusive, during which period no transfer of Shares will be registered.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL 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 Company’s annual report for the year 2025 will be available at the same websites and despatched to the Shareholders upon request.

ONLINE MEETING

The Company will host an online meeting to discuss the annual results of the Group for the year ended 31 December 2025 with the Shareholders and the potential investors of the Company on Friday, 20 March 2026 from 11:00 a.m. to 12:00 noon (Hong Kong time).

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

Online meeting: <https://meeting.tencent.com/dm/osl3t55TnUPw>

Tencent Meeting number: 723 627 755

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

Hong Kong, 19 March 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.