

Interim Report 2025



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

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CORPORATE INFORMATION

Executive Directors

Mr. Xiang Jie (*chairman of the board (the “Board”) of directors (the “Directors”, each a “Director”)*)
Mr. Gong Renyuan (*chief executive officer*)
Mr. Yue Zhoumin

Independent Non-executive Directors

Mr. Chen Shimin
Mr. Zhang Xuejun
Mr. Leung Ming Shu
Ms. White Caige

Authorised Representatives

Mr. Yue Zhoumin
Ms. He Lina

Audit Committee

Mr. Chen Shimin (*chairman of the audit committee*)
Mr. Zhang Xuejun
Mr. Leung Ming Shu

Remuneration Committee

Mr. Leung Ming Shu
(*chairman of the remuneration committee*)
Mr. Chen Shimin
Mr. Zhang Xuejun

Nomination Committee

Mr. Zhang Xuejun
(*chairman of the nomination committee*)
Mr. Chen Shimin
Mr. Gong Renyuan (resigned on 6 June 2025)
Ms. White Caige (appointed on 6 June 2025)

Strategy and Sustainability Committee

Mr. Xiang Jie
(*chairman of the strategy and sustainability committee*)
Mr. Chen Shimin
Mr. Zhang Xuejun
Mr. Leung Ming Shu

Company Secretary

Ms. He Lina

Legal Advisers

Loeb & Loeb LLP

External Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters

9-A, KongGangRongHuiYuan
Yuhua Road
Zone B, Airport Industrial Zone
Shunyi District
Beijing
People’s Republic of China (the “PRC” or “China”)

Principal Place of Business in Hong Kong

31st Floor, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3, Building D
P.O. Box 1586, Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Banks

Bank of China Limited (Zhejiang Yangtze River Delta
Integration Demonstration Zone branch)
China Construction Bank Corporation (Wuxi Changan branch)
Bank of Communications Co., Ltd. (Zhejiang Yangtze River
Delta Integration Demonstration Zone branch)
Bank of Ningbo Co., Ltd. (Jiaxing branch)

Listing Information

Place of listing: Main Board of The Stock Exchange of
Hong Kong Limited (the “Stock Exchange”)
Stock code: 580

Website

www.sunking-tech.com

CHAIRMAN'S STATEMENT

Dear shareholders,

Since the beginning of 2025, against the backdrop of China's continued advancement of the "dual carbon" strategy and the development of a new power system, coupled with robust global demand for power equipment, Sun.King Technology Group Limited (the "**Company**") and its subsidiaries (together with the Company, the "**Group**") have maintained a sound growth momentum in regular direct current ("**DC**") and flexible transmission, new energy generation, and energy storage. In the first half of 2025, the Group recorded revenue of approximately RMB888.3 million, representing a year-on-year increase of 35.5%; net profit attributable to the parent company amounted to approximately RMB93.8 million, up approximately 178.3% year-on-year.

In the first half of 2025, as ordered products for flexible DC transmission projects, such as the middle-southern Saudi Arabia $\pm 500\text{kV}$ flexible DC transmission conversion station project (the "**Middle-Southern Saudi Arabia Project**") and the Gansu-Zhejiang $\pm 800\text{kV}$ ultra-high-voltage ("**UHV**") DC transmission project (the "**Gansu Power to Zhejiang Project**") were successively delivered, the revenue of the Group from the flexible transmission segment increased by approximately 123% compared with the same period in 2024. In the regular DC transmission segment, the Group delivered ordered products for transmission projects including the Hami-Chongqing $\pm 800\text{kV}$ UHVDC transmission project (the "**Hami-Chongqing 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 (the "**Itaipu Project**") and the second phase of the Yangzhou-Zhenjiang $\pm 200\text{kV}$ DC transmission project (the "**Second Phase of the Yangzhou-Zhenjiang Project**"). The delivery volume decreased compared with the same period in 2024. On the other hand, the competent national authorities approved the construction of the Southeast Tibet to Guangdong-Hong Kong-Macao Greater Bay Area $\pm 800\text{kV}$ UHVDC transmission project (the "**Southeast Tibet Project**") and the West Inner Mongolia to Beijing-Tianjin-Hebei $\pm 800\text{kV}$ UHVDC transmission project (the "**West Inner Mongolia to Beijing-Tianjin-Hebei Project**") in July 2025. The key national hydropower project in the lower reaches of the Yarlung Zangbo River also officially commenced construction. These projects are expected to drive demand for related power electronic components.

In the first half of 2025, the revenue from self-developed power semiconductors of the Group reached approximately RMB53.1 million, representing a year-on-year increase of approximately 231.4%. Newly developed products include the i23 series of seventh-generation insulated gate bipolar transistors ("**IGBTs**", each "**IGBT**") chips featuring micro-trench technology, as well as ED type IGBT modules using these chips, along with FP, EP, and TF type IGBT modules. These new products have enriched the product portfolio and expanded coverage of downstream market demand. In 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, entered into an equity transfer agreement (the "**Equity Transfer Agreement**"), pursuant to which Sunking Semiconductor shall acquire the entire equity interest in Hunan Hong'An Microelectronics Co., Ltd.* (湖南虹安微電子有限責任公司) ("**Hunan Hong'An**") for a consideration 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. This transaction will enhance research and development ("**R&D**") capabilities and supply chain security of Sunking Semiconductor, significantly reduce R&D costs and market entry cycles, and hold strategic significance for its long-term development.

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 West Inner Mongolia 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.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank the shareholders of the Company (the "**Shareholders**", each a "**Shareholder**"), stakeholders, members of the Board and all our employees for their support and contributions. Together with the management team, I will continue to strive for better returns for the Shareholders and for greater corporate social value.

Xiang Jie
Chairman

Hong Kong, 22 August 2025

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

1. Domestic and overseas market performance

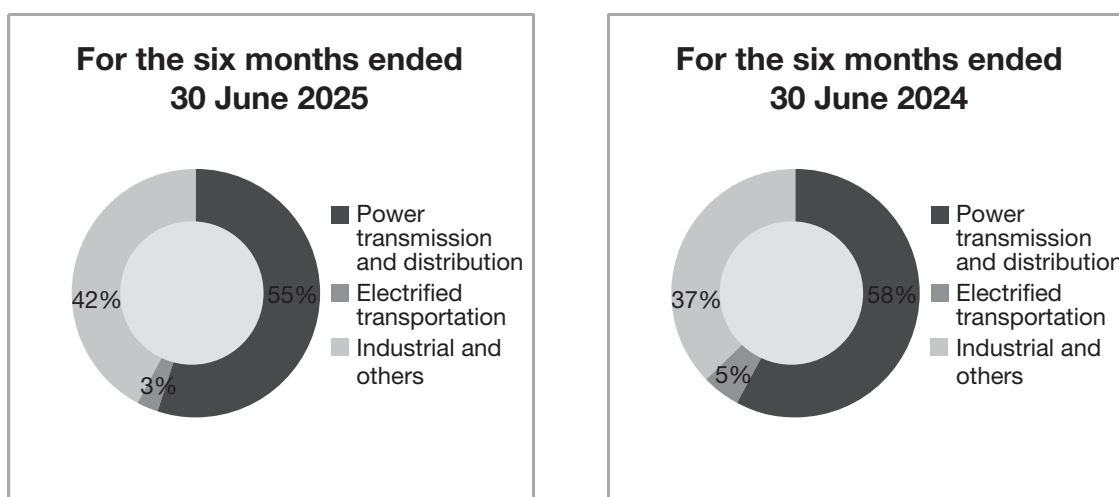
	For the six months ended 30 June			
	2025		2024	
	Revenue (RMB' 000)	Gross profit margin	Revenue (RMB' 000)	Gross profit margin
Domestic market	845,968	24.7%	617,047	35.1%
Overseas market	42,352	47.4%	38,711	46.9%
Total	888,320	Average 25.8%	655,758	Average 35.8%

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:

Applied sectors	For the six months ended 30 June			
	2025		2024	
	Revenue (RMB' 000)	Gross profit margin	Revenue (RMB' 000)	Gross profit 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%
Total	845,968	Average 24.7%	617,047	Average 35.1%

The proportion of revenue of each business sector of the Group in the domestic market is as follows:



MANAGEMENT DISCUSSION AND ANALYSIS

(a) Power transmission and distribution sector

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

	For the six months ended 30 June		Change
	2025 Revenue (RMB' 000)	2024 Revenue (RMB' 000)	
Power transmission and distribution sector	466,654	358,098	30%
Regular DC transmission ^(Note 1)	89,205	146,945	-39%
Flexible transmission ^(Note 2)	295,960	132,914	123%
Other power transmission and distribution	81,489	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 with 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 Project, the Shanbei-Anhui Project, the Itaipu Project and the Second Phase of the Yangzhou-Zhenjiang 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 Project, the Gansu Power to Zhejiang Project and the Peru/Chile distributed power flow controller project (the “**Peru/Chile 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.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Electrified transportation sector

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

	For the six months ended 30 June		Change
	2025 Revenue (RMB' 000)	2024 Revenue (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 IGBTs 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 PRC.

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:

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

MANAGEMENT DISCUSSION AND ANALYSIS

3. Overseas market performance

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

	For the six months ended 30 June		Change
	2025 Revenue (RMB' 000)	2024 Revenue (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 30 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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 approximately 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.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

Save as disclosed in this interim report and the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025, (a) there were no significant investments held, nor were there material acquisitions or disposals of subsidiaries, associates or joint ventures during the six months ended 30 June 2025; and (b) there were no plans authorised by the Board for material investments or capital assets as at the date of the interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Events after reporting period

On 11 July 2025, 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, which is a company owned by the Investors, to Sunking Semiconductor as contemplated under 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 were yet to complete as at the date of this interim report. Subsequently, both the Capital Increase Agreement and the Equity Transfer Agreement were completed in September 2025. 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 and retirement benefit scheme. The employees are also entitled to participate in the share option scheme of the Company conditionally adopted on 21 May 2020 and which became effective on 3 June 2020 (the “**2020 Share Option Scheme**”). 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 West Inner Mongolia 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 Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)).

MANAGEMENT DISCUSSION AND ANALYSIS

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 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 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 of the above repurchases were made for the benefit of the Company and the Shareholders 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 and this interim report.

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 interim report to the expected dividend payment date, a total amount of HK\$15,933,980 (same period in 2024: Nil) will be absorbed.

OTHER INFORMATION

CHANGES IN INFORMATION ON DIRECTORS AND CHIEF EXECUTIVES

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the information required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules during the six months ended 30 June 2025 are as follows:

- (a) Mr. Chen Shimen, who is an independent non-executive Director, ceased to be an independent non-executive director of Yincheng International Holdings Co., Ltd., which is a company listed on the Stock Exchange (stock code: 1902), from March 2025; and
- (b) Mr. Leung Ming Shu, who is an independent non-executive Director, ceased to be an independent non-executive director of Gala Technology Holding Limited, which is a company listed on the Stock Exchange (stock code: 2458), from June 2025.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, the underlying Shares and the debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long positions in the Shares, the underlying Shares and the debentures of the Company

Name of Director	Nature of interest	Number of ordinary Shares interested	Number of ordinary Shares issuable under equity derivatives ^(Note 3)	Total	Approximate percentage of interests in the Company ^(Note 5)
Mr. Xiang Jie	Beneficial owner	51,666,000	–	51,666,000	
	Founder of a discretionary trust	338,328,347 ^(Note 1)	–	338,328,347	
				389,994,347	24.32%
Mr. Gong Renyuan	Beneficial owner	15,060,000	10,000,000	25,060,000	
	Interest of spouse	4,300,000 ^(Note 2)	4,000,000 ^(Note 4)	8,300,000	
				33,360,000	2.08%
Mr. Yue Zhoumin	Beneficial owner	2,000,000	5,000,000	7,000,000	0.44%

Notes:

1. As at 30 June 2025, (a) these 338,328,347 Shares were held by Max Vision Holdings Limited; (b) Max Vision Holdings Limited was wholly owned by Jiekun Limited; (c) Jiekun Limited was wholly owned by Sapphire Skye Holdings Limited; (d) Sapphire Skye Holdings Limited was wholly owned by Zedra Trust Company (Singapore) Limited; and (e) Zedra Trust Company (Singapore) Limited was the trustee of a private trust of which Mr. Xiang Jie was the founder and his family members were the beneficiaries. Accordingly, Jiekun Limited, Sapphire Skye Holdings Limited, Zedra Trust Company (Singapore) Limited, Mr. Xiang Jie and Ms. Meng Fankun were deemed under the SFO to be interested in the 338,328,347 Shares held by Max Vision Holdings Limited.
2. As at 30 June 2025, these 4,300,000 Shares were held by Ms. Ren Jie, who is the spouse of Mr. Gong Renyuan. Accordingly, Mr. Gong Renyuan was deemed under the SFO to be interested in the 4,300,000 Shares held by Ms. Ren Jie.
3. These Shares represented the Shares which may be issued upon the exercise of the share options granted/to be granted to the relevant Directors and their respective associates (as defined in the Listing Rules) under the 2020 Share Option Scheme, details of which are set out in the section headed "Share Option Schemes" of this interim report.
4. As at 30 June 2025, these 4,000,000 Shares represented the Shares which may be issued upon the exercise of the share options granted to Ms. Ren Jie, who is the spouse of Mr. Gong Renyuan. Accordingly, Mr. Gong Renyuan was deemed under the SFO to be interested in the 4,000,000 Shares which may be issued upon the exercise of the share options granted to Ms. Ren Jie.
5. As at 30 June 2025, there were 1,603,834,000 Shares in issue.

(b) Short positions in the Shares, the underlying Shares and the debentures of the Company

None of the Directors or the chief executives had any short position in the Shares, the underlying Shares and the debentures of the Company or any associated corporation as at 30 June 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, the interests or short positions of the persons, other than a Director or a chief executive of the Company, in the Shares and the underlying Shares as recorded in the register required to be kept under section 336 of the SFO, were as follows:

(a) Long positions in the Shares and the underlying Shares

Name of substantial Shareholder	Nature of interest	Number of ordinary Shares interested	Approximate percentage of interests in the Company (Note 3)
Max Vision Holdings Limited	Beneficial owner	338,328,347 (Note 1)	21.09%
Jiekun Limited	Interest in controlled corporation	338,328,347 (Note 1)	21.09%
Sapphire Skye Holdings Limited	Interest in controlled corporation	338,328,347 (Note 1)	21.09%
Zedra Trust Company (Singapore) Limited	Interest in controlled corporation	338,328,347 (Note 1)	21.09%
Ms. Meng Fankun	Interest of spouse Beneficiary of a trust	51,666,000 (Note 2) 338,328,347 (Note 1)	
		389,994,347	24.32%

Notes:

- As at 30 June 2025, (a) these 338,328,347 Shares were held by Max Vision Holdings Limited; (b) Max Vision Holdings Limited was wholly owned by Jiekun Limited; (c) Jiekun Limited was wholly owned by Sapphire Skye Holdings Limited; (d) Sapphire Skye Holdings Limited was wholly owned by Zedra Trust Company (Singapore) Limited; and (e) Zedra Trust Company (Singapore) Limited was the trustee of a private trust of which Mr. Xiang Jie was the founder and his family members were the beneficiaries. Accordingly, Jiekun Limited, Sapphire Skye Holdings Limited, Zedra Trust Company (Singapore) Limited, Mr. Xiang Jie and Ms. Meng Fankun were deemed under the SFO to be interested in the 338,328,347 Shares held by Max Vision Holdings Limited.
- As at 30 June 2025, these 51,666,000 Shares were held by Mr. Xiang Jie, who is the spouse of Ms. Meng Fankun. Accordingly, Ms. Meng Fankun was deemed under the SFO to be interested in the 51,666,000 Shares held by Mr. Xiang Jie.
- As at 30 June 2025, there were 1,603,834,000 Shares in issue.

(b) Short positions in the Shares and the underlying Shares

Save as disclosed above, as at 30 June 2025, the Company had not been notified of any short position in the Shares or the underlying Shares which were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

OTHER INFORMATION

SHARE OPTION SCHEMES

Prior to the listing of the Shares on the Stock Exchange (the “**Listing**”), the Company conditionally adopted a share option scheme (the “**2010 Share Option Scheme**”) on 23 September 2010 which became effective and unconditional upon the Listing. The purpose of the 2010 Share Option Scheme is to enable the Group to grant share options to the Eligible Participants (as defined in the section headed “Share Option Scheme” of the prospectus of the Company dated 30 September 2010) as rewards or incentives for their contribution to the Group.

The 2010 Share Option Scheme was terminated on 3 June 2020. Prior to the termination, the Board might, at its absolute discretion, offer share options to the Eligible Participants to subscribe for the Shares at an exercise price and subject to other terms of the 2010 Share Option Scheme. The number of Shares which may be issued upon the exercise of all share options to be granted under the 2010 Share Option Scheme shall not exceed 136,604,000, representing 10% of the total number of Shares in issue upon the Listing.

Where any further grant of share options to an Eligible Participant under the 2010 Share Option Scheme would result in the Shares issued and to be issued upon the exercise of all share options granted and be granted to such Eligible Participant (including exercised, cancelled and outstanding share options) under the 2010 Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant shall be separately approved by the Shareholders in the general meeting. Under the 2010 Share Option Scheme, each share option has a 10-year exercise period unless otherwise determined by the Board. There is no minimum period for which a share option must be held before it can be exercised unless otherwise determined by the Board and specified in the offer. HK\$1 shall be payable on acceptance of the share options within such time as may be specified in the offer, which shall not be later than 21 days from the date on which the share options are offered.

The exercise price shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

- the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which the share options are offered;
- the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date on which the share options are offered; and
- the nominal value of a Share.

Details of (i) movements in the share options granted under the 2010 Share Option Scheme during the period ended 30 June 2025; and (ii) outstanding share options as at the beginning and the end of the period are set out below:

Grantees	Date of offer	Number of share options					outstanding as at 30 June 2025	Vesting period	Exercise period	Exercise price per Share (HK\$)
		outstanding as at 1 January 2025	granted during the period	exercised during the period	cancelled during the period	lapsed during the period				
Employees (other than the Director(s) and the chief executive of the Company)	1 April 2020	5,120,000	-	-	-	-	5,120,000	25% – One year from the date of offer 25% – Two years from the date of offer 25% – Three years from the date of offer 25% – Four years from the date of offer	From the respective vesting dates to 31 March 2026	1.10
Total		5,120,000	-	-	-	-	5,120,000			

Following the termination of the 2010 Share Option Scheme on 3 June 2020, no further share options could be offered but in all other respects the provisions of the 2010 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share option granted prior to the termination. As at the date of this interim report, given that 200,000 outstanding share options were exercised in July 2025, the total number of Shares available for issue upon the exercise of the outstanding share options granted under the 2010 Share Option Scheme was 4,920,000, representing approximately 0.3% of the total number of issued Shares (excluding any treasury Share) as at the date of this interim report.

OTHER INFORMATION

The Company conditionally adopted the 2020 Share Option Scheme and conditionally terminated the 2010 Share Option Scheme pursuant to the shareholders' approval obtained in the general meeting of the Company held on 21 May 2020. The 2020 Share Option Scheme and the termination of the 2010 Share Option Scheme became effective on 3 June 2020. The purpose of the 2020 Share Option Scheme is to enable the Company to grant share options to the following eligible participants (the “**Eligible Participant(s)**”) as incentives or rewards for their contribution to the Group:

- (a) any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest (the “**Invested Entity**”);
- (b) any non-executive Directors (including independent non-executive Directors) of the Company, any subsidiary or any Invested Entity;
- (c) any supplier of goods to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity,

and, for the purposes of the 2020 Share Option Scheme, the offer may be made to any company wholly owned by one or more Eligible Participants.

Despite the above definition of Eligible Participants, the Company does not intend to grant share option to any Eligible Participant that does not come under the definition of “eligible participant” in Chapter 17 of the Listing Rules.

The Board may, at its absolute discretion, offer share options to the Eligible Participants to subscribe for the Shares at an exercise price and subject to the terms of the 2020 Share Option Scheme. The total number of Shares which may be issued upon the exercise of all share options to be granted under the 2020 Share Option Scheme shall not exceed 163,083,100, representing 10% of the total number of Shares in issue as at the date of approval of the 2020 Share Option Scheme.

Where any further grant of share options to an Eligible Participant under the 2020 Share Option Scheme would result in the Shares issued and to be issued upon the exercise of all share options granted and be granted to such Eligible Participant (including exercised, cancelled and outstanding share options) under the 2020 Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue (excluding any treasury Share), such further grant must be separately approved by the Shareholders in general meeting. The 2020 Share Option Scheme will remain in force for a period of 10 years from 3 June 2020. Under the 2020 Share Option Scheme, each share option has a 10-year exercise period unless otherwise determined by the Board. The minimum period for which a share option must be held before it can be exercised shall not be less than 12 months. HK\$1 shall be payable on acceptance of the share options within such time as may be specified in the offer, which shall not be later than 21 days from the date on which the share options are offered.

The exercise price shall be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which the share options are offered;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which the share options are offered; and
- (c) the nominal value of a Share.

OTHER INFORMATION

As disclosed in the announcement of the Company dated 23 December 2024, the Company offered to grant the share options to a number of grantees to subscribe for up to 69,700,000 Shares pursuant to the 2020 Share Option Scheme on 23 December 2024, among which Mr. Xiang Jie was one of the grantees to whom the Company granted the share options to subscribe for up to 20,000,000 Shares, which, if exercised in full, would represent approximately 1.3% of the total number of issued Shares (excluding any treasury Share) as at 23 December 2024.

Details of (i) movements in the share options granted under the 2020 Share Option Scheme during the six months ended 30 June 2025; and (ii) outstanding share options as at the beginning and the end of the period are set out below:

Grantees	Date of offer	outstanding as at 1 January 2025	Number of share options				others	outstanding as at 30 June 2025	Vesting period	Exercise period	Exercise price per Share (HK\$)
			granted during the period ^(Note 1)	exercised during the period	cancelled during the period	lapsed during the period					
Director(s), chief executive(s) and substantial Shareholder(s) (as defined in the Listing Rules) of the Company, and their respective associate(s) (as defined in the Listing Rules) (the "Category A Grantees")											
Mr. Xiang Jie (<i>chairman of the Board, executive Director and substantial Shareholder (as defined in the Listing Rules)</i>)	23 December 2024	20,000,000 <i>(Note 2)</i>	-	-	-	-	20,000,000 <i>(Note 2)</i>	-	25% – One year from the date of offer 25% – Two years from the date of offer 25% – Three years from the date of offer 25% – Four years from the date of offer	From the respective vesting dates to 22 December 2030	1.300
Mr. Gong Renyuan (<i>chief executive officer and executive Director</i>)	23 December 2024	10,000,000	-	-	-	-	-	10,000,000	25% – One year from the date of offer 25% – Two years from the date of offer 25% – Three years from the date of offer 25% – Four years from the date of offer	From the respective vesting dates to 22 December 2030	1.300
Mr. Yue Zhoumin (<i>executive Director</i>)	23 December 2024	5,000,000	-	-	-	-	-	5,000,000	25% – One year from the date of offer 25% – Two years from the date of offer 25% – Three years from the date of offer 25% – Four years from the date of offer	From the respective vesting dates to 22 December 2030	1.300
Ms. Ren Jie (<i>the spouse of Mr. Gong Renyuan</i>)	23 December 2024	4,000,000	-	-	-	-	-	4,000,000	25% – One year from the date of offer 25% – Two years from the date of offer 25% – Three years from the date of offer 25% – Four years from the date of offer	From the respective vesting dates to 22 December 2030	1.300
		39,000,000	-	-	-	-	20,000,000	19,000,000			
Other employees (the "Category B Grantees")	23 December 2024	30,700,000	-	-	-	-	-	30,700,000	25% – One year from the date of offer 25% – Two years from the date of offer 25% – Three years from the date of offer 25% – Four years from the date of offer	From the respective vesting dates to 22 December 2030	1.300
Total		69,700,000	-	-	-	-	20,000,000	49,700,000			

Notes:

- There are no performance targets attached to the share options.
- Pursuant to Rule 17.03D(1) of the Listing Rules and the terms of the 2020 Share Option Scheme, as the proposed grant of share options to Mr. Xiang Jie would result in Mr. Xiang Jie exceeding the 1% individual limit (as defined in the Listing Rules), the proposed grant of share options to Mr. Xiang Jie shall be separately approved by the Shareholders in the general meeting, which was the annual general meeting of the Company held on 6 June 2025 (the "**2025 Annual General Meeting**"). In addition, pursuant to Rule 17.04(3) of the Listing Rules and the terms of the 2020 Share Option Scheme, as the proposed grant of share options to Mr. Xiang Jie, who is also a substantial Shareholder (as defined in the Listing Rules), would result in the Shares issued and to be issued in respect of all the share options granted (excluding any share option lapsed in accordance with the terms of the 2020 Share Option Scheme) to Mr. Xiang Jie in the 12-month period up to the date of offer representing in aggregate over 0.1% of the Shares of the Company in issue (excluding any treasury Share), the proposed grant of share options to Mr. Xiang Jie shall be approved by the Shareholders in the general meeting, which was the 2025 Annual General Meeting. The resolution approving the grant of share options to Mr. Xiang Jie was not passed at the 2025 Annual General Meeting. Therefore, no share option has been granted to Mr. Xiang Jie pursuant to the 2020 Share Option Scheme.

OTHER INFORMATION

For both of the Category A Grantees and the Category B Grantees, as at 1 January 2025, given that 69,700,000 share options had been granted and assuming that the proposed grant of share options to Mr. Xiang Jie on 23 December 2024 had been approved by the Shareholders in the 2025 Annual General Meeting, the number of share options available for grant under the 2020 Share Option Scheme was 93,383,100. As at 30 June 2025, given that the resolution approving the grant of share options to Mr. Xiang Jie had not been passed at the 2025 Annual General Meeting, the number of share options available for grant under the 2020 Share Option Scheme was 113,383,100.

As disclosed in the announcement of the Company dated 18 July 2025 and the circular of the Company dated 15 August 2025, the Company offered to grant the share options to Mr. Xiang Jie to subscribe for up to 20,000,000 Shares pursuant to the 2020 Share Option Scheme, which, if exercised in full, would represent approximately 1.3% of the total number of issued Shares (excluding any treasury Share) as at 18 July 2025. Pursuant to Rules 17.03D(1) and 17.04(3) of the Listing Rules and the terms of the 2020 Share Option Scheme, such proposed grant of share options to Mr. Xiang Jie shall be separately approved by the Shareholders in the general meeting, which is proposed to be the extraordinary general meeting of the Company to be held on 26 September 2025 (the “**Extraordinary General Meeting**”).

As at the date of this interim report, assuming that the proposed grant of share options under the 2020 Share Option Scheme to Mr. Xiang Jie on 18 July 2025 would be approved by the Shareholders in the Extraordinary General Meeting, the total number of Shares available for issue upon the exercise of the outstanding share options granted under the 2020 Share Option Scheme was 69,700,000, representing approximately 4.4% of the total number of issued Shares (excluding any treasury Share) as at the date of this interim report.

* *For identification purpose only*

INDEPENDENT REVIEW REPORT



To the board of directors of Sun.King Technology Group Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 19 to 34, which comprises the condensed consolidated statement of financial position of Sun.King Technology Group Limited (the “**Company**”) and its subsidiaries as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in compliance with IAS 34.

Ernst & Young

Certified Public Accountants

27/F., One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

22 August 2025

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)
REVENUE	5	888,320	655,758
Cost of sales		(659,066)	(420,974)
Gross profit		229,254	234,784
Other income and gains	5	130,747	34,335
Selling and distribution costs		(60,862)	(47,940)
Administrative expenses		(106,074)	(83,660)
Research and development costs		(67,923)	(67,756)
Other expenses and losses		(3,486)	(24,866)
Finance costs	7	(8,835)	(8,541)
Share of losses of associates		(13)	(7)
PROFIT BEFORE TAX	6	112,808	36,349
Income tax expense	8	(27,338)	(15,416)
PROFIT FOR THE PERIOD		85,470	20,933
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods			
Fair value losses on financial investments at fair value through other comprehensive income		(3,643)	(4,667)
Exchange differences on translation of foreign operations		(11,048)	5,243
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		(14,691)	576
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		70,779	21,509
Profit/(loss) attributable to:			
Owners of the parent		93,773	33,722
Non-controlling interests		(8,303)	(12,789)
		85,470	20,933
Total comprehensive income/(loss) attributable to:			
Owners of the parent		82,452	33,012
Non-controlling interests		(11,673)	(11,503)
		70,779	21,509
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
	10		
Basic		RMB5.85 cents	RMB2.09 cents
Diluted		RMB5.85 cents	RMB2.09 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB' 000 (Unaudited)	31 December 2024 RMB' 000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	745,750	734,941
Investment properties		15,558	15,720
Right-of-use assets		52,629	52,761
Deposits for purchase of property, plant and equipment		1,465	5,988
Goodwill		5,689	5,689
Other intangible assets		67,909	69,776
Investments in associates		2,400	2,413
Equity investment designated at fair value through other comprehensive income		6,357	10,000
Contract assets		43,340	26,938
Time deposits		80,000	80,000
Other receivables and other assets		2,997	–
Deferred tax assets		5,915	8,434
Total non-current assets		1,030,009	1,012,660
CURRENT ASSETS			
Inventories		253,922	289,941
Trade and bills receivables	12	1,147,053	1,161,169
Contract assets		11,071	11,752
Prepayments, other receivables and other assets		92,316	116,680
Derivative financial instruments		53,524	–
Pledged deposits		28,002	27,158
Cash and cash equivalents		454,691	415,487
Total current assets		2,040,579	2,022,187
CURRENT LIABILITIES			
Trade and bills payables	13	434,016	416,724
Contract liabilities		71,165	77,400
Other payables and accruals		136,875	140,190
Lease liabilities		3,103	2,521
Derivative financial instruments		–	6,415
Interest-bearing bank and other borrowings		256,425	254,850
Tax payable		18,841	36,950
Total current liabilities		920,425	935,050
NET CURRENT ASSETS		1,120,154	1,087,137
TOTAL ASSETS LESS CURRENT LIABILITIES		2,150,163	2,099,797

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	<i>Note</i>	30 June 2025 RMB' 000 (Unaudited)	31 December 2024 RMB' 000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		28,830	44,440
Lease liabilities		4,222	4,282
Deferred income		49,731	53,649
Deferred tax liabilities		9,390	1,470
Total non-current liabilities		92,173	103,841
Net assets		2,057,990	1,995,956
EQUITY			
Equity attributable to owners of the parent			
Issued capital	14	137,351	137,351
Treasury shares		(10,050)	(8,641)
Reserves		1,870,682	1,795,666
Non-controlling interests		1,997,983 60,007	1,924,376 71,580
Total equity		2,057,990	1,995,956

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent											
	Issued capital RMB'000	Treasury shares RMB'000	Share premium account RMB'000	Employee share-based compensation reserve RMB'000	Capital redemption reserve RMB'000	Deemed contribution reserve RMB'000 <i>(note a)</i>	Other reserve RMB'000 <i>(note b)</i>	Retained profits RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2024	139,081	(378)	390,030	2,695	5,205	14,765	419,701	880,864	(4,314)	1,847,649	74,012	1,921,661
Profit for the period	-	-	-	-	-	-	-	33,722	-	33,722	(12,789)	20,933
Fair value losses on investments at fair value through other comprehensive income	-	-	-	-	-	-	(4,667)	-	-	(4,667)	-	(4,667)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	3,957	3,957	1,286	5,243
Total comprehensive income for the period	-	-	-	-	-	-	(4,667)	33,722	3,957	33,012	(11,503)	21,509
Capital injection from non-controlling shareholders	-	-	-	-	-	-	4,300	-	-	4,300	2,450	6,750
Shares repurchased and cancelled	(1,641)	(20)	(17,546)	-	1,641	-	-	(1,641)	-	(19,207)	-	(19,207)
Exercise of share options	28	-	369	(96)	-	-	-	-	-	301	-	301
Share-based payments	-	-	-	76	-	-	-	-	-	76	-	76
Transfer from retained profits	-	-	-	-	-	-	10,120	(10,120)	-	-	-	-
At 30 June 2024	137,468	(398)	372,853	2,675	6,846	14,765	429,454	902,825	(357)	1,866,131	64,959	1,931,090
At 1 January 2025	137,351	(8,641)	371,993*	2,596*	6,985*	14,765*	429,454*	971,486*	(1,613)*	1,924,376	71,580	1,995,956
Profit for the period	-	-	-	-	-	-	-	93,773	-	93,773	(8,303)	85,470
Fair value losses on investments at fair value through other comprehensive income	-	-	-	-	-	-	(2,730)	-	-	(2,730)	(913)	(3,643)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(8,591)	(8,591)	(2,457)	(11,048)
Total comprehensive income for the period	-	-	-	-	-	-	(2,730)	93,773	(8,591)	82,452	(11,673)	70,779
Capital injection from non-controlling shareholders	-	-	-	-	-	-	300	-	-	300	100	400
Shares repurchased	-	(1,409)	-	-	-	-	-	-	-	(1,409)	-	(1,409)
Final 2024 dividend declared	-	-	(14,530)	-	-	-	-	-	-	(14,530)	-	(14,530)
Share-based payments	-	-	-	6,794	-	-	-	-	-	6,794	-	6,794
Transfer from retained profits	-	-	-	-	-	-	25,704	(25,704)	-	-	-	-
At 30 June 2025	137,351	(10,050)	357,463*	9,390*	6,985*	14,765*	452,728*	1,039,555*	(10,204)*	1,997,983	60,007	2,057,990

Notes:

- (a) The deemed contribution reserve represents share-based payment expense incurred and recognised by the Group as settled by issue of shares of Sun.King Group Limited (賽晶集團有限公司) ("Sunking BVI"), a former shareholder of the Company.
- (b) The other reserve mainly represents a certain waiver of loans and/or advances by Sun.King BVI to the Group in prior years, the reserve arose from acquisition of non-controlling interests and capital contribution from non-controlling shareholders, as well as statutory reserve of the subsidiaries established in the People's Republic of China (the "PRC").

* These reserve accounts comprise the consolidated reserves of RMB1,870,682,000 (31 December 2024: RMB1,795,666,000 (audited)) in the condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		112,808	36,349
Adjustments for:			
Finance costs	7	8,835	8,541
Share of losses of a joint venture and associates		13	7
Interest income	5	(3,871)	(5,930)
Fair value gains on financial investments at fair value through profit or loss	5	(341)	(1,092)
Fair value gain on financial investments at fair value through other comprehensive income	5	–	(5,250)
Loss on disposal of property, plant and equipment, net	6	52	90
Depreciation of property, plant and equipment	6	26,187	21,413
Depreciation of right-of-use assets	6	3,067	2,580
Amortisation of other intangible assets	6	7,019	6,315
Impairment of trade receivables and contract assets, net	6	3,118	1,622
Impairment/(reversal of impairment) of financial assets included in prepayments, other receivables and other assets, net	6	(264)	604
Write-off of trade receivables	6	–	536
Fair value loss/(gain) on foreign currency forward contracts, net	5,6	(59,939)	10,648
Write-down/(reversal of write-down) of inventories to net realisable value, net	6	(919)	653
Amortisation of deferred income		(2,708)	(2,169)
Share-based payment expense		6,794	76
		99,851	74,993
Decrease/(increase) in inventories		36,938	(88,967)
Increase in trade and bills receivables and contract assets		(3,830)	(273,378)
Decrease/(increase) in prepayments, other receivables and other assets		24,790	(13,480)
Decrease/(increase) in pledged deposits		(844)	28,809
Increase in trade and bills payables		17,292	70,382
Increase in receivables and assets		(2,997)	–
Decrease in other payables and accruals and contract liabilities		(26,068)	(20,858)
Increase in non-current portion of deferred income		–	1,260
Change in derivative financial instruments		–	(4,947)
Effect of foreign exchange rate changes, net		(19,489)	9,098
Cash generated from/(used in) operations		125,643	(217,088)
Interest paid		(4,594)	(4,276)
Income taxes paid		(35,168)	(9,960)
Net cash flows from/(used in) operating activities		85,881	(231,324)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net cash flows from/(used in) operating activities	85,881	(231,324)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,978	4,064
Purchase of property, plant and equipment	(25,410)	(44,403)
Additions to other intangible assets	(3,117)	(5,820)
Placement of time deposits with original maturity of over three months when acquired	–	(80,000)
Purchase of financial investments at fair value through profit or loss	(127,300)	(534,786)
Proceeds from disposal/maturity of financial investments at fair value through profit or loss	127,641	535,878
Proceeds from maturity of financial investments at fair value through other comprehensive income	–	55,250
Proceeds from disposal of property, plant and equipment	460	156
Decrease/(increase) in deposits for purchase of property, plant and equipment	4,523	(13,657)
Capital contribution to an associate	–	(800)
Net cash flows used in investing activities	(20,225)	(84,118)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of share options	–	301
Repurchase of shares	(1,409)	(19,207)
New bank loans	55,490	87,470
Repayment of bank loans	(69,525)	(92,450)
Capital injection from non-controlling interests	400	6,750
Principal portion of lease payments	(2,413)	(1,988)
Dividends paid	(14,530)	–
Net cash flows used in financing activities	(31,987)	(19,124)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	33,669	(334,566)
Cash and cash equivalents at beginning of period	415,487	799,300
Effect of foreign exchange rate changes, net	5,535	(1,641)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	454,691	463,093
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	454,691	463,093

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. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. 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 IAS 21	<i>Lack of Exchangeability</i>
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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.

4. 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. 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)
Revenue from contracts with customers		
Sale of power electronic components	888,320	655,758

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

* 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.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. 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	659,066	420,974
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	-	11,366

7. 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	123	146
Total	8,835	8,541

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

8. 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.

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

9. DIVIDENDS

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. 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)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	93,773	33,722
	Number of shares For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
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	643,752	370,317
Total	1,603,946,524	1,616,528,022

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at an aggregate cost of RMB36,370,000 (six months ended 30 June 2024: RMB45,630,000 (unaudited)).

During the six months ended 30 June 2025, the Group disposed of assets with an aggregate net book value of RMB512,000 (six months ended 30 June 2024: RMB246,000 (unaudited)).

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

12. TRADE AND BILLS RECEIVABLES

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

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

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

13. TRADE AND BILLS PAYABLES

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

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. ISSUED CAPITAL

During the six months ended 30 June 2025, no share options were exercised. During the six months ended 30 June 2024, the subscription right attaching to 300,000 share options were exercised at a subscription prices of HK\$1.10 per share, resulting in the issue of 300,000 (unaudited) shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$330,000 (equivalent to approximately RMB301,000) (unaudited). An amount of RMB96,000 (unaudited) was transferred from the employee share-based compensation reserve to the share premium account upon the exercise of the share options.

During the six months ended 30 June 2025, the Company repurchased a total of 1,296,000 of the Company's shares (six months ended 30 June 2024: repurchased and cancelled a total of 18,244,000 and 18,178,000 of the Company's shares, respectively). The total consideration paid to repurchase these shares was RMB1,409,000 (six months ended 30 June 2024: RMB19,207,000 (unaudited)), which has been deducted from equity attributable to owners of the parent.

15. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Buildings	10,842	14,565
Plant and equipment	32,261	41,391
Total	43,103	55,956

Commitments under foreign currency forward contracts:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Purchase of Swiss franc	614,904	810,333
Purchase of Japanese Yen	–	5,534
Total	614,904	815,867

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

	For the six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short term employee benefits	18,462	16,123
Post-employment benefits	1,597	1,461
Share-based payment expense	5,440	33
Total compensation paid to key management personnel	25,499	17,617

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Financial assets				
Bills receivable	180,275	254,525	180,275	254,525
Equity investment designated at fair value through other comprehensive income	6,357	10,000	6,357	10,000
Time deposits	80,000	80,000	81,298	83,734
Derivative financial instruments	53,524	–	53,524	–
Total	320,156	344,525	321,454	348,259
Financial liabilities				
Interest-bearing bank and other borrowings	285,255	299,290	287,986	302,227
Derivative financial instruments	–	6,415	–	6,415
Total	285,255	305,705	287,986	308,642

Management has assessed that the fair values of the Group's financial instruments, except for bills receivable, derivative financial instruments and non-current portion of interest-bearing bank borrowings, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of bills receivables, and non-current time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair value of the unlisted equity investment at 31 December 2024 has been determined based on the recent transaction price. As there was no recent transaction during the period, the fair value of the unlisted equity investment designated at fair value through other comprehensive income at 30 June 2025 has been estimated using a market based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry and size and to calculate an enterprise price-to-sales ("Price/Sales") multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The directors believe that the estimated fair values resulting from Price/Sales multiple, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which is recorded in other comprehensive income, is reasonable, and that this was the most appropriate value at the end of the reporting period.

The Group enters into derivative financial instruments with various counterparties. Derivative financial instruments, comprising foreign currency forward contracts, are measured using valuation techniques similar to forward pricing value calculations. The models incorporate various market observable inputs including foreign exchange forward rates at the delivery dates.

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair value of the non-current portion of interest-bearing bank borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2025 were assessed to be insignificant.

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024.

	Significant unobservable input	Range	Sensitivity of value of input
<i>Market approach</i>			
Unlisted equity investment designated at fair value through other comprehensive income	P/S multiple of peers	1.5 (31 December 2024: Nil)	10% increase/decrease in multiple would result in increase/decrease in fair value by RMB579,000 (31 December 2024: Nil)
	Discount for lack of marketability	15% (31 December 2024: Nil)	1% increase/decrease in discount would result in decrease/increase in fair value by RMB68,000 (31 December 2024: Nil)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
As at 30 June 2025 (unaudited)				
Bills receivable	–	180,275	–	180,275
Derivative financial instruments	–	53,524	–	53,524
Equity investment designated at fair value through other comprehensive income	–	–	6,357	6,357
Total	–	233,799	6,357	240,156
As at 31 December 2024 (audited)				
Bills receivable	–	254,525	–	254,525
Equity investment designated at fair value through other comprehensive income	–	10,000	–	10,000
Total	–	264,525	–	264,525

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

17. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities for which fair values are disclosed:

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
At 30 June 2025				
Interest-bearing bank and other borrowings	–	287,986	–	287,986
At 31 December 2024				
Interest-bearing bank and other borrowings	–	302,227	–	302,227
Derivative financial instruments	–	6,415	–	6,415
Total	–	308,642	–	308,642

During the period, there was no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities, other than the aforementioned equity investment designated at fair value through other comprehensive income (six months ended 30 June 2024: Nil (unaudited)).

18. EVENTS AFTER THE REPORTING PERIOD

On 11 July 2025, Sunking Pacific Semiconductor Technology (Zhejiang) Co., (“**Sunking Semiconductor**”), a subsidiary of the Group, entered into the capital increase agreement with the existing 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 the subscription price, which is to be settled by the investors by transferring the entire equity interest in Hunan Hong'an Microelectronics Co., Ltd. to Sunking Semiconductor as contemplated under 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 equity interest of the Company in Sunking Semiconductor will be reduced from approximately 70.5406% to approximately 64.1918% on an enlarged basis. The transaction is not yet completed as of the date of approval of this interim condensed consolidated financial information.

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 22 August 2025.