Shinelong Automotive Lightweight Application Limited
勛龍汽車輕量化應用有限公司
(Incorporated in Cayman Islands with limited liability)
(Stock code: 1930)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL SUMMARY

	For the year ended 31 December		
	2024	2023	Change
Revenue *(RMB'000)*	**237,646**	218,698	8.7%
Gross profit *(RMB'000)*	**47,410**	50,878	–6.8%
Gross profit margin	**19.9%**	23.3%	–3.4 percentage points
Net profit attributable to owners of the Company *(RMB'000)*	**16,035**	20,552	–22.0%
Net profit margin	**6.7%**	9.4%	–2.7 percentage points
Basic earnings per share *(RMB cents)*	**2.4**	3.1	–22.6%
Diluted earnings per share *(RMB cents)*	**2.4**	3.1	–22.6%
Proposed final dividend per share *(HK cents)*	**0.719**[Note]	0.241	
Proposed total dividend *(HKD million)*	**4.7**[Note]	1.6	

Note:

On 25 March 2025, the board (the "**Board**") of directors (the "**Directors**") of the Company proposed a final dividend (the "**Final Dividend**") of HK0.719 cents (equivalent to RMB0.663 cents) per ordinary share totalling approximately HKD4.7 million (equivalent to approximately RMB4.4 million) for the year ended 31 December 2024 (the "**FY2024**"), which is subject to the approval of the Company's shareholders at 2024 annual general meeting (the "**2024 AGM**") to be held on Thursday, 12 June 2025 and is expected to be paid by cash on Friday, 25 July 2025.

RESULTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
REVENUE	*3*	**237,646**	218,698
Cost of sales		**(190,236)**	(167,820)
Gross profit		**47,410**	50,878
Other income and gains, net	*4*	**8,523**	6,486
Selling and distribution expenses		**(6,483)**	(6,767)
General and administrative expenses		**(29,261)**	(25,391)
Finance costs		**(975)**	(512)
PROFIT BEFORE TAX	*5*	**19,214**	24,694
Income tax expense	*6*	**(3,317)**	(3,505)
PROFIT FOR THE YEAR		**15,897**	21,189
Attributable to:			
Owners of the Company		**16,035**	20,552
Non-controlling interests		**(138)**	637
		15,897	21,189

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

		Year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent years:			
Changes in fair value of debt investments at fair value through other comprehensive income/(loss), net of tax		**118**	(143)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent years:			
Currency translation differences of the Company		**(280)**	166
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX		**(162)**	23
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**15,735**	21,212
Attributable to:			
Owners of the Company		**15,873**	20,575
Non-controlling interests		**(138)**	637
		15,735	21,212
EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY (in Renminbi ("**RMB**") cents per share)			
Basic, for profit for the year	*7*	**2.4**	3.1
Diluted, for profit for the year	*7*	**2.4**	3.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*8*	**184,732**	185,724
Right-of-use assets		**8,838**	9,443
Intangible assets		**1,347**	1,046
Prepayments, other receivables and other assets		**–**	1,996
Deferred tax assets		**3,947**	1,601
Net investments in subleases		**714**	–
Restricted bank deposits	*11*	**1,390**	1,390
Total non-current assets		**200,968**	201,200
CURRENT ASSETS			
Inventories	*9*	**329,761**	268,961
Trade and notes receivables	*10*	**111,453**	101,846
Prepayments, other receivables and other assets		**9,605**	3,956
Net investments in subleases		**467**	236
Restricted bank deposits	*11*	**–**	695
Cash and cash equivalents	*11*	**31,034**	42,169
Total current assets		**482,320**	417,863
CURRENT LIABILITIES			
Trade payables	*12*	**84,002**	52,124
Other payables and accruals		**36,060**	50,405
Government grants		**964**	1,573
Contract liabilities		**173,934**	147,050
Interest-bearing bank and other borrowings		**14,395**	6,645
Income tax payable		**2,571**	898
Lease liabilities		**1,548**	1,266
Total current liabilities		**313,474**	259,961
NET CURRENT ASSETS		**168,846**	157,902
TOTAL ASSETS LESS CURRENT LIABILITIES		**369,814**	359,102

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT LIABILITIES			
Government grants		**4,009**	3,622
Interest-bearing bank borrowings		**7,362**	12,905
Deferred tax liabilities		**487**	161
Lease liabilities		**1,467**	215
Total non-current liabilities		**13,325**	16,903
Net assets		**356,489**	342,199
EQUITY			
Equity attributable to the owners of the Company			
Share capital	*13*	**5,806**	5,806
Treasury shares		**(43)**	(43)
Reserves		**349,312**	334,884
		355,075	340,647
Non-controlling interests		**1,414**	1,552
Total equity		**356,489**	342,199

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Shinelong Automotive Lightweight Application Limited (the "**Company**") is an exempted company with limited liability incorporated in the Cayman Islands on 2 October 2018. The registered address of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the "**Group**") are involved in the provision of comprehensive moulding services and solutions, covering product analysis, mould design and development, mould fabrication, assembling, testing and adjustment, trial production and after-sales services.

The Company and its subsidiaries now comprising the Group underwent a reorganisation (the "**Reorganization**") in preparation for an initial public offering ("**IPO**") through the incorporation of the Company, the acquisition of Shinelong Intellectual Manufacture Precision Applied Materials (Suzhou) Company Limited ("**Shinelong (Suzhou)**") and Kunshan Longjun Management Consulting Company Limited ("**Kunshan Longjun**") by the Company, further allotment of ordinary shares and capitalisation issue. The Company's shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**" or "**HKEX**") since 28 June 2019 (the "**Listing**").

In the opinion of the directors of the Company (the "**Directors**"), the holding company of the Company is Shine Art International Limited ("**Shine Art**"), a company incorporated in the British Virgin Islands, and the ultimate controlling shareholder of the Company is Mr. Lin Wan-Yi.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for notes receivable measured at fair value through other comprehensive income. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

    The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

While the adoption of some of the revised IFRS Accounting Standards may result in changes in accounting policies, none of these IFRS Accounting Standards is expected to have any significant impact on the Group's financial statements.

3. REVENUE

3.1 Disaggregated revenue information

An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Sales of moulds		
Automotive moulds	**182,452**	164,911
Electrical appliance moulds	**38,005**	38,368
Other moulds	**2,199**	720
Subtotal	**222,656**	203,999
Parts processing services	**13,082**	10,863
Others	**1,908**	3,836
Total	**237,646**	218,698
Represented by:		
Goods and services transferred at a point in time	**237,646**	218,698
Represented by:		
Geographic markets		
Mainland China	**215,447**	209,253
Overseas	**22,199**	9,445
Total	**237,646**	218,698

Set out below are the amounts of revenue recognised in the current reporting period that were included in contract liabilities at the beginning of the reporting period:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Sales of moulds		
Automotive moulds	**84,423**	66,481
Electrical appliance moulds	**7,311**	5,251
Other moulds	**205**	153
Parts processing services	**162**	248
Total	**92,101**	72,133

Revenue from major customers which accounted for 10% or more of the Group's revenue during the reporting period is set out below:

	Year ended 31 December 2024 *RMB'000*
Customer 1	**40,582**
Customer 2	**31,222**
	71,804

	Year ended 31 December 2023 *RMB'000*
Customer 1	65,861
Customer 3	31,094
Customer 2	28,611
	125,566

3.2 Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of moulds

The performance obligation is satisfied upon the customers' issue of the final acceptance report. Generally, customers are required to pay approximately 30% of the total fee as a deposit upon the signing of the agreements and approximately 40% to 50% of the total fee when the moulds have been fabricated and are ready for delivery to the customers. The remaining balance is generally due within 20 to 180 days from the issue of the final acceptance report.

Parts processing services

The performance obligation is satisfied at the point in time when the processed parts are accepted by the customers and payment is generally due within 20 to 180 days from the acceptance of processed parts, except for certain customers, where payment in advance is required.

There was only one performance obligation in each of the Group's contracts and all revenues were recognised at a point in time during the reporting period. The transaction prices related to the performance obligations in the existing contracts that were unsatisfied as at the end of the reporting period are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**301,327**	210,735
After one year	**268,439**	230,885
Total	**569,766**	441,620

The amounts of transaction prices related to the performance obligations which are expected to be recognised after one year mainly relate to the sales of automotive moulds due to the long inspection and examination period before the customers' final acceptance. All other amounts of transaction prices related to the performance obligations are expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

4. OTHER INCOME AND GAINS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Other income, net		
Government grants *(Note)*	**7,023**	4,924
Interest income	**499**	1,153
Others	**(224)**	(40)
Total other income, net	**7,298**	6,037
Gains, net		
Foreign exchange differences, net	**145**	40
Gain on disposal of items of property, plant and equipment	**877**	99
Gain on lease modifications	**–**	405
Gain/(loss) on subleases classified as finance leases, net	**203**	(95)
Total gains, net	**1,225**	449
Total other income and gains, net	**8,523**	6,486

Note: Government grants consist of: (a) unconditional grants received from the local government from time to time at the discretion of relevant government authorities. Such grants mainly represent cash subsidies granted by the local government to encourage the development of certain enterprises that are established in local special economic regions or to support general operations of those entities; and (b) government grants received for purchases of certain items of property, plant and equipment, which are recognised initially as a liability in the consolidated statement of financial position and subsequently recognised as other income when the associated costs, for which the grants are intended to compensate, are incurred. There are no unfulfilled conditions or contingencies relating to these grants.

5. PROFIT BEFORE TAX

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

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Raw materials consumed	**75,779**	74,099
Direct labour cost	**30,689**	27,164
Subcontracting expenses	**46,462**	36,248
Depreciation of property, plant and equipment	**17,539**	11,548
Depreciation of right-of-use assets	**2,996**	5,431
Amortisation of intangible assets	**580**	648
Research and development costs	**8,378**	8,165
Lease payments not included in the measurement of lease liabilities	**114**	98
Interest on lease liabilities	**59**	427
Auditor's remuneration	**1,512**	1,479
Employee benefit expenses (including directors' and chief executive's remuneration):		
Salaries and bonuses	**18,038**	17,869
Equity-settled share reward expense	**–**	184
Pension scheme contributions	**2,325**	1,828
	20,363	19,881
Accrual of impairment losses on trade and notes receivables, net	**893**	202
Provision for warranty	**2,020**	1,525
(Reversal of write-down)/write-down of inventories to net realisable value	**(2,006)**	924
Foreign exchange differences, net	**(145)**	(40)

6. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Tax on profits assessable in the PRC has been calculated at the applicable PRC corporate income tax ("**CIT**") rate of 25%. Shinelong (Suzhou) was qualified as a high and new technology enterprise and enjoyed a preferential income tax rate of 15%. Xunzhan, Xunhou and Kunshan Longjun were qualified as small and micro-sized enterprises ("**SME**") and enjoyed a 75% reduction in taxable income and the preferential income tax rate of 20% as their taxable incomes are below RMB1 million individually.

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current — PRC	**5,176**	3,445
Deferred — PRC	**(1,859)**	60
Total tax charge for the year	**3,317**	3,505

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdictions in which the Company and its major operating subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Profit before tax	**19,214**	24,694
Statutory tax rate	**25%**	25%
Tax at the statutory tax rate	**4,804**	6,174
Lower tax rates enacted by local authority	**(2,189)**	(2,815)
Change of higher tax rates enacted by local authority	**–**	(86)
Expenses not deductible for income tax purposes	**122**	94
Adjustments in respect of current tax of previous periods	**(358)**	153
Additional deductible allowance for research and development expenses	**(691)**	(740)
Withholding tax on earnings distributed and anticipated to be remitted by the Group's PRC subsidiaries	**996**	161
Tax losses not recognised	**633**	564
Total tax charge for the year	**3,317**	3,505

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year ended 31 December 2024 attributable to ordinary equity holders of the Company of approximately RMB16,035,000 (2023: RMB20,552,000), and the weighted average number of ordinary shares of 657,450,724 (2023: 657,210,065) 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 Company. 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 outstanding to assume conversion of all dilutive potential ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation:	**16,035**	20,552

	Number of shares Year ended 31 December	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**657,450,724**	657,210,065
Effect of dilution — weighted average number of ordinary shares:		
Awarded shares	**–**	1,145,122
Total	**657,450,724**	658,355,187

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Furniture, fixtures and equipment	Leasehold improvements	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost							
At 1 January 2023	1,503	130,487	6,377	2,908	2,112	42,329	185,716
Additions	–	9,884	1,167	790	333	69,780	81,954
Transfers	81,557	9,655	234	–	–	(91,446)	–
Disposals	–	(1,085)	(578)	(1,855)	–	–	(3,518)
At 31 December 2023	83,060	148,941	7,200	1,843	2,445	20,663	264,152
Additions	–	1,071	995	–	345	16,722	19,133
Transfers	10,842	24,324	2,219	–	–	(37,385)	–
Disposals	–	(9,420)	(379)	(292)	–	–	(10,091)
At 31 December 2024	93,902	164,916	10,035	1,551	2,790	–	273,194
Accumulated depreciation							
At 1 January 2023	548	60,775	4,099	2,897	1,443	–	69,762
Depreciation charge for the year	127	10,444	594	265	118	–	11,548
Disposals	–	(507)	(520)	(1,855)	–	–	(2,882)
At 31 December 2023	675	70,712	4,173	1,307	1,561	–	78,428
Depreciation charge for the year	3,641	12,530	877	263	228	–	17,539
Disposals	–	(6,876)	(338)	(291)	–	–	(7,505)
At 31 December 2024	4,316	76,366	4,712	1,279	1,789	–	88,462
Net carrying amount							
As at 31 December 2023	82,385	78,229	3,027	536	884	20,663	185,724
As at 31 December 2024	89,586	88,550	5,323	272	1,001	–	184,732

As at 31 December 2024, the gross carrying amount of the fully depreciated property, plant and equipment of the Group that were still in use was approximately RMB34,802,000 (2023: RMB31,242,000).

As at 31 December 2024, the Group's buildings with a net carrying amount of approximately RMB75,358,000 (2023: RMB75,939,000) were mortgaged to secure the general bank facility granted to the Group.

9. INVENTORIES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Finished goods	**210,123**	201,156
Work in progress	**118,602**	66,901
Raw materials and low value consumables	**1,036**	904
Total	**329,761**	268,961

10. TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**72,145**	62,857
Notes receivable	**41,928**	40,716
Impairment	**(2,620)**	(1,727)
Net carrying amount	**111,453**	101,846

The Group generally grants a credit period of 20 to 180 days to customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and notes receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the date of the final acceptance report and net of loss allowance for impairment, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**18,994**	16,044
31–60 days	**8,477**	6,272
61–90 days	**4,062**	6,410
91–180 days	**11,453**	5,746
181–365 days	**20,735**	15,284
Over 365 days	**5,804**	11,374
Total	**69,525**	61,130

Set out below is the movements in loss allowance for impairment of trade and notes receivables:

	2024	2023
	RMB'000	*RMB'000*
At the beginning of year	**1,727**	1,525
Accrual of impairment losses, net	**893**	202
At the end of year	**2,620**	1,727

The Group has applied the simplified approach to providing for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days of ageing. If there is objective evidence of impairment existing individually for financial assets that are individually significant, an impairment loss is recognised in profit or loss. The Group performs a collective assessment for all other trade receivables that are not individually significant or for which impairment has not yet been identified by including the asset in a group of financial assets with similar credit risk characteristics for impairment. The collective provision calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has taken its expectations of economic impacts into consideration when making the forward-looking assumption underpinning the collective provision calculation.

Generally, trade receivables are written off when there is no reasonable expectation of recovering additional cash. Indicators include, among others, the bankruptcy of the customer and a failure to make contractual payments for a period of greater than 36 months.

The gross carrying amount of trade receivables individually measured is RMB204,000 (2023: RMB204,000) and the loss allowance for these trade receivables is RMB204,000 (2023: RMB204,000). Set out below is the information about the credit risk exposure on the Group's trade receivables using the collective provision calculation matrix:

	Within 1 year	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
Gross carrying amount	**64,407**	**3,981**	**2,827**	**726**	**71,941**
Expected credit loss rate	**0.30%–1.04%**	**3.00%–8.76%**	**3.00%–23.82%**	**100%**	**3.36%**
Expected credit losses	**668**	**349**	**673**	**726**	**2,416**
31 December 2023					
Gross carrying amount	50,111	10,665	1,638	239	62,653
Expected credit loss rate	0.30%–0.71%	3.00%–6.45%	3.00%–14.89%	100%	2.43%
Expected credit losses	355	687	242	239	1,523

The Group's notes receivables are recognised as debt investments at fair value through other comprehensive income and the Group applies the low credit risk simplification for the assessment of ECLs of notes receivable. At the end of the reporting period, the Group evaluated that the notes receivables are considered to have low credit risk.

11. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Cash and bank balances	**32,424**	44,254
Less:		
Restricted bank deposits *(Note)*	**(1,390)**	(2,085)
Cash and cash equivalents	**31,034**	42,169

Note: As at 31 December 2024, the Group has placed a restricted deposit in a bank with an aggregate amount of approximately RMB1,390,000 (2023: RMB2,085,000), relating to certain performance guarantees issued by the bank to Zhangpu Town People's Government of Kunshan Municipality for the acquisition of a piece of leasehold land.

At 31 December 2024, the Group's cash and bank balances denominated in RMB amounted to approximately RMB28,409,000 (2023: RMB37,406,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks that are authorised to conduct foreign exchanges business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

12. TRADE PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables	**84,002**	52,124

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**34,808**	20,548
31–60 days	**18,173**	13,240
61–90 days	**14,736**	8,061
91–120 days	**8,920**	9,226
Over 120 days	**7,365**	1,049
Total	**84,002**	52,124

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 120 days.

13. SHARE CAPITAL

	31 December 2023 and 2024	
	HKD'000	*RMB'000*
Issued and fully paid/credited as fully paid:		
660,000,000 ordinary shares of HKD0.01 each	6,600	5,806

There was no change to the share capital of the Company for the year ended 31 December 2024.

14. DIVIDENDS

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Proposed final dividend		
— RMB0.663 cents (2023: RMB0.219 cents) per ordinary share	**4,375**	1,445

On 25 March 2025, the directors proposed a final dividend of HK0.719 cents (equivalent to RMB0.663 cents) per ordinary share totalling approximately HKD4,745,000 (equivalent to RMB4,375,000) for the year ended 31 December 2024, which is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed final dividend for the year ended 31 December 2023 was paid by the Company to its shareholders on 26 July 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a developer and major supplier of customised moulds in the People's Republic of China (the "**PRC**"), with a focus on moulds for the production of automotive parts which cater for the growing trend of automotive lightweight application, as well as electrical appliance parts and other parts. The Group seeks to offer comprehensive moulding services and solutions to the customers, covering product analysis, mould design and development; mould fabrication, assembling, testing and adjustment; trial production and after-sales services.

With frequent occurrences of geopolitical conflicts and international trade frictions, the momentum of global economic growth remains weak in 2024, and domestic consumer confidence continues to be insufficient. In the face of a complex situation characterized by increasing external pressures and mounting internal challenges, the Chinese government has proactively implemented a strategy to expand domestic demand and stimulate potential consumption, the national economy continues to recover and maintains an overall stable performance.

In 2024, due to the implementation of trade-in policies, subsidies in various regions, and promotional activities by enterprises, the production and sales of China's automobiles increased by 3.7% and 4.5% year-on-year, respectively. Among them, new energy vehicles continued to grow rapidly, sales of new energy vehicles accounted for 40.9% of the total sales of new vehicles. However, the competition in the automobile and automotive mould markets has intensified sharply, which puts ongoing pressure on profitability.

The household electrical appliance industry has entered a mature period, and the traditional categories have tended to be saturated. In 2024, under the dual pressures of the real estate downturn and sluggish domestic consumption, high-end household electrical appliances injected strong impetus for sales of household electrical appliances through technological innovation and policy support, and the house electrical appliance market achieved steady recovery. On the other hand, the household electrical appliance and household electrical appliance mould markets continue to endure intense competitive pressures.

In the face of intensifying market competition, the Group has actively explored the market and successfully established cooperative relationships with several new customers in 2024. On the other hand, the revenue generated from one of the Group's major customers decreased, whose gross profit margin was relatively higher than that of other customers of automotive moulds, and relocation cost was increased due to the relocation of the plant during the reporting period, which resulted in a decrease in gross profit margin of products.

The revenue of the Group for FY2024 amounted to approximately RMB237.6 million, representing an increase of approximately RMB18.9 million or 8.7% as compared with that of RMB218.7 million for the year ended 31 December 2023 (the "**FY2023**"). Such increase was mainly due to an increase in amount of the final acceptance report of automotive moulds obtained in FY2024. The profit attributable to owners of the Company for FY2024 amounted to approximately RMB16.0 million, representing a decrease of 22.0% as compared with that of approximately RMB20.6 million for FY2023, such decrease was mainly attributable to the combined effects of (i) increase in relocation cost for equipment due to relocation of factory; (ii) increase in inventory provision for finished goods of automotive moulds; (iii) decrease in gross profit generated from sales of automotive moulds due to decrease in amount of the final acceptance report obtained from one of the Group's major customers with relatively higher gross profit margin as compared to other customers in automotive moulds; and (iv) increase in general and administrative expenses.

OUTLOOK

Looking ahead, the global economic situation remains complex and volatile, and faces numerous uncertainties. The adverse impacts stemming from the external environment are intensifying, domestic consumer confidence continues to be insufficient, and there are many difficulties and challenges. The Chinese government will persist in implementing strategies to expand domestic demand, stimulate market vitality, and consolidate and enhance the positive momentum of the domestic economic recovery.

In 2025, the continuous implementation of favorable policies such as trade-in and the preferential purchase tax for new energy vehicles in the automobile industry, as well as the continuous development of intelligence and technological innovation, will help further release the consumption potential of the automobile market and provide impetus for the development of the industry. It is expected that the domestic automobile market will maintain steady development overall in 2025. However, the economic operation of the automobile industry still faces numerous difficulties and challenges, and the industry competition is intensified. The automobile and automotive mould enterprises are facing both new opportunities and great survival pressures.

The household electrical appliance industry has entered a mature period, and the overall demand may still be relatively weak. In 2025, the trade-in policy of the household electrical appliance industry is expected to continue, and AI-driven technological innovation will promote the transformation of household electrical appliances to high-end, intelligent and green, which will further stimulate the consumption upgrade of the household electrical appliance market, and help household electrical appliances and household electrical appliance mould enterprises tap the market potential.

The construction of the Group's new plant, which is located in Kunshan City, Jiangsu province, was completed by the end of 2023, and its interior decoration work was completed in the first half of 2024. Shinelong (Suzhou), a principal wholly-owned subsidiary of the Company, has basically completed the relocation to the new plant. The Group will explore improvement opportunities in all aspects of its production operations, so as to enhance production efficiency, strive to reduce costs and increase efficiency and enhance the Group's competitive advantage.

In 2025, the Group will actively confront the opportunities and challenges brought by changes in global political, economic and other external environment, pay close attention to the changes in the market and business environment, continue to further penetrate into the mould market, strengthen cooperation with existing customers to improve customer stickiness, further expand the domestic market in the PRC and other overseas markets, and actively seek potential business opportunities.

FINANCIAL REVIEW

Revenue

The revenue of the Group amounted to approximately RMB237.6 million for FY2024, representing an increase of approximately RMB18.9 million or 8.7% as compared with that of approximately RMB218.7 million for FY2023.

The following table sets forth a breakdown of the revenue of the Group by business segment:

	For the year ended 31 December		
	2024	2023	Change
	RMB'000	*RMB'000*	*%*
Sales of moulds			
Automotive moulds	**182,452**	164,911	10.6
Electrical appliance moulds	**38,005**	38,368	-0.9
Other moulds	**2,199**	720	205.4
Sub-total	**222,656**	203,999	9.1
Parts processing services	**13,082**	10,863	20.4
Other	**1,908**	3,836	-50.3
Total	**237,646**	218,698	8.7

(i) Sales of moulds

The Group principally engages in the design, development, manufacture and sales of customised hot-pressing moulds, hydroforming moulds and injection moulds which are used in auto manufacturing. Apart from automotive moulds, the Group also engages in the design, development, manufacture and sales of customised plastic moulds for the production of electrical appliance and other parts. Sales of moulds accounted for 93.7% of the Group's revenue for FY2024.

The revenue generated from sales of automotive moulds for FY2024 amounted to approximately RMB182.5 million, representing an increase of approximately RMB17.6 million or 10.6% as compared with that of approximately RMB164.9 million for FY2023. Such increase was mainly due to the net effects of (i) the increase in amounts of the final acceptance reports received from three of the Group's major customers as compared with that for the previous year; (ii) the increase in revenue generated from a new customer of the Group during the reporting period; and (iii) the decrease in revenue generated from one of the Group's major customers.

The revenue generated from sales of electrical appliance moulds for FY2024 amounted to approximately RMB38.0 million, which was basically unchanged as compared with that of approximately RMB38.4 million for FY2023.

(ii) Parts processing services

Parts processing services principally include services provided to the customers for (i) modification of moulds the Group manufactured and sold; and (ii) processing machine parts that are used in automotive moulds and electrical appliance moulds. The revenue generated from parts processing services for FY2024 amounted to approximately RMB13.1 million, representing an increase of approximately RMB2.2 million or 20.4% as compared with that of approximately RMB10.9 million for FY2023. Such increase was due to the increase in revenue generated from automotive and electrical appliance moulds parts processing services of the Group.

Cost of sales

The Group's cost of sales primarily consists of direct materials, direct labour, manufacturing overhead and subcontracting expenses. The major raw materials used by the Group in the production of moulds include, among others, mould steel, mould parts, casting parts, hot runner and mould base.

The cost of sales of the Group for FY2024 amounted to approximately RMB190.2 million, representing an increase of approximately RMB22.4 million or 13.4% as compared with that of approximately RMB167.8 million for FY2023. Such increase was mainly due to (i) the increase in revenue generated from sales of automotive moulds during the reporting period; (ii) the increase in inventory provision for finished goods of automotive moulds; and (iii) the increase in relocation cost for equipment due to relocation of factory.

Gross profit and gross profit margin

The gross profit of the Group for FY2024 amounted to approximately RMB47.4 million, representing a decrease of approximately RMB3.5 million or 6.8% as compared with that of approximately RMB50.9 million for FY2023. The gross profit margin decreased from 23.3% for FY2023 to 19.9% for FY2024, which was mainly due to (i) the decrease in gross profit from sales of automotive moulds as revenue generated from one of the Group's major customers, whose gross profit margin is relatively higher than that of other customers of automotive moulds, decreased; (ii) the increase in inventory provision for finished goods of automotive moulds; and (iii) the increase in relocation cost for equipment due to relocation of factory.

Other income and gains

The other income and gains of the Group mainly consisted of government grants, interest income, gain on lease modification, gains on disposal of assets and foreign exchange differences. The amount increased from approximately RMB6.5 million for FY2023 to approximately RMB8.5 million for FY2024, which was mainly due to an increase in government grants of approximately RMB2.1 million in FY2024 as compared with that of the previous year.

Selling and distribution expenses

The selling and distribution expenses of the Group mainly consisted of staff costs for sales staff and provision for warranty. The selling and distribution expenses of the Group for FY2023 and FY2024 were approximately RMB6.8 million and approximately RMB6.5 million, respectively. Such decrease was mainly due to the net effects of (i) a decrease in staff costs for sales staff of approximately RMB0.5 million in FY2024 as compared with that for FY2023; and (ii) an increase in provision for warranty of approximately RMB0.3 million in FY2024 as compared with that for FY2023.

General and administrative expenses

The general and administrative expenses of the Group for FY2024 amounted to approximately RMB29.3 million, representing an increase of approximately RMB3.9 million or 15.2% as compared with that of approximately RMB25.4 million for FY2023. Such increase was mainly due to (i) an increase of approximately RMB1.0 million in the depreciation and amortisation of new plant and related assets; (ii) an increase of approximately RMB0.6 million in impairment losses for trade and notes receivables; (iii) an increase of approximately RMB0.7 million in staff cost; and (iv) an increase of approximately RMB0.3 million in office expenses and approximately RMB0.6 million in taxes.

Finance costs

The finance costs of the Group mainly consisted of interest expenses on lease liabilities, bank borrowings and discounted notes receivable. The amount increased from approximately RMB0.5 million for FY2023 to approximately RMB1.0 million for FY2024. Such increase was mainly due to the combined effects of the increase in interest expense on bank borrowings of approximately RMB0.8 million,which was transferred from capitalisation to expensing immediately with the completion of the new factory construction by the end of 2023, and the decrease in interest on lease liabilities of approximately RMB0.4 million as compared to FY2023.

Income tax expenses and effective tax rate

The income tax expenses of the Group decreased from approximately RMB3.5 million for FY2023 to approximately RMB3.3 million for FY2024. The effective tax rate, representing income tax expense divided by profit before taxation, were 14.2% and 17.3% for FY2023 and FY2024, respectively, the increase in the effective income tax rate is primarily due to an increase in income tax on interest income paid by the Company during the reporting period.

Net profit and net profit margin

The Group recorded net profit attributable to owners of the Company of approximately RMB20.6 million and RMB16.0 million for FY2023 and FY2024, with a net profit margin of 9.4% and 6.7%, respectively. The decrease was mainly due to the combined effects of (i) the increase in relocation cost for equipment due to relocation of plant; (ii) the increase in the inventory provision for finished goods of automotive moulds; (iii) the decrease in gross profit generated from the sales of automotive moulds resulting from the decrease in amount of the final acceptance reports obtained from one of the Group's major customers whose gross profit margin is relatively higher than that of other customers of automotive moulds; and (iv) the increase in general and administrative expense.

Capital expenditure and commitments

The Group's capital expenditure in FY2024 primarily comprised expenditure on acquisition of plant and equipment, intangible assets and right-of-use assets and amounted to a total of approximately RMB35.3 million (FY2023: approximately RMB64.2 million).

As at 31 December 2024, the Group had capital commitments of approximately RMB1.0 million (31 December 2023: approximately RMB12.8 million).

Liquidity and financial resources

The Group's operations were primarily financed through cash generated from its operating activities for FY2024. The Group derived its cash inflow from operating activities primarily through the receipt of payments from the customers in relation to the sales of moulds and parts processing services. The Group's cash outflows from operating activities primarily comprised payments for purchases of raw materials, direct labour costs, subcontracting fees to third-party contractors and operating expenses such as staff costs.

As at 31 December 2024, the Group's total current assets and current liabilities were approximately RMB482.3 million (31 December 2023: approximately RMB417.9 million) and approximately RMB313.5 million (31 December 2023: approximately RMB260.0 million), respectively, while the current ratio was approximately 1.5 times (31 December 2023: approximately 1.6 times). The increase in total current assets as at 31 December 2024 was mainly due to the net effects of (i) the increase in inventory of work-in-progress for products being manufactured in the production plants, trade and notes receivables; and (ii) the decrease in cash and cash equivalents. The increase in total current liabilities as at 31 December 2024 was mainly due to the net effects of (i) the increase in trade payables and contract liabilities; and (ii) the decrease in other payables and accruals.

As at 31 December 2024, the Group had cash and bank balances of approximately RMB32.4 million (31 December 2023: approximately RMB44.3 million), among which restricted bank deposits were approximately RMB1.4 million (31 December 2023: approximately RMB2.1 million).

As at 31 December 2024, the Group's balance of interest-bearing bank and other borrowings were approximately RMB21.8 million (31 December 2023: approximately RMB19.6 million). As a result of the adjustment of the loan prime rate (LPR) during the reporting period, the Group's loan interest rate was adjusted twice during the reporting period. On 29 August 2024, the Group entered into a supplementary agreement for preferential loan interest rates, according to which the interest rate was lowered prospectively for outstanding borrowings from 3.90% to 3.50% and further lowered to 3.3% on 27 December 2024 according to another supplementary agreement. As at 31 December 2024, the Group's gearing ratio was 6.9% (31 December 2023: 6.1%), which was calculated based on interest-bearing liabilities (including the lease liabilities) divided by total equity.

Going forward, the Group expects to fund its future operations and expansion plans primarily with cash generated from operations and borrowings.

Reserves and capital structure

As at 31 December 2024, the Group's total equity was approximately RMB356.5 million (31 December 2023: approximately RMB342.2 million), which represented share capital of approximately RMB5.8 million (31 December 2023: approximately RMB5.8 million), reserves of approximately RMB349.3 million (31 December 2023: approximately RMB334.9 million), treasury shares of approximately RMB0.1 million (31 December 2023: approximately RMB0.1 million) and non-controlling interests of approximately RMB1.4 million (31 December 2023: approximately RMB1.6 million). The increase in total equity was primarily due to the net profit recorded for FY2024.

Property, plant and equipment

The Group's property, plant and equipment mainly comprised of buildings, machinery, furniture, fixtures and equipment, leasehold improvements and motor vehicles. As at 31 December 2024, the Group's property, plant and equipment amounted to approximately RMB184.7 million (31 December 2023: approximately RMB185.7 million).

Inventories

The Group's inventories comprised (i) raw materials and low-value consumables used in production, (ii) work-in-progress for products being manufactured in the production plants, and (iii) finished goods which comprised moulds that had only passed the customers' initial inspection for which the Group had not received their final acceptance reports. As at 31 December 2024, the Group's inventories amounted to approximately RMB329.8 million (31 December 2023: approximately RMB269.0 million). Such increase was mainly due to the increase in orders received for automotive moulds during the reporting period, which resulted in an increase in work-in-progress for products being manufactured in the production plants.

Trade and notes receivables

The Group's trade and notes receivables represented amounts receivable from the customers in relation to the sales of moulds and provision of parts processing services. The Group's notes receivable were issued by the customers with which the Group could receive the amount at a fixed future date, or could readily be discounted into cash at an expense of finance charge. As at 31 December 2024, the Group's trade and notes receivables amounted to approximately RMB111.5 million (31 December 2023: approximately RMB101.8 million). Such increase was mainly due to the increase in quality guarantee deposit resulting from the final acceptance of moulds during the reporting period.

Since the outbreak of COVID-19 in the first half of 2020, the Group has strengthened the internal control measures on its assessment of expected credit losses on trade receivables, reviewed the trade receivables ageing regularly and assessed the customers individually for provision for expected credit loss allowance which take into account the historical settlement pattern, communications with the customers, and evidence from external sources including the relevant public search results relating to the financial circumstances of the relevant customers.

Trade payables

The Group's trade payables primarily consisted of payable to the suppliers in relation to the purchase of the raw materials for the manufacture of moulds, and subcontracting fees payable to third-party contractors. As at 31 December 2024, the Group's trade payables amounted to approximately RMB84.0 million (31 December 2023: approximately RMB52.1 million). Such increase was mainly due to the increase in sales orders during the reporting period, with the increase in raw material purchases and subcontracting fees incurred by third-party contractors in the fourth quarter as compared with that of the fourth quarter of 2023.

Contract liabilities

The Group's contract liabilities consisted of the advances received to deliver moulds. Pursuant to the contract, the Group generally requires the customers to pay around 30% of the total fee when they place a purchase order and around 30% to 50% of the total fee when the moulds have been fabricated and are ready for delivery to the customers. Such payments from the customers were recorded as contract liabilities and the moulds related to these contract liabilities were recorded as work-in-progress for products being manufactured in production plants and finished goods in the Group's inventories.

After the moulds have passed the customers' final inspection and examination, the customers would issue final acceptance reports to the Group, at which time, the Group would recognise the sales and reverse the related contract liabilities and record the remaining balance of around 20% to 40% of the total fee as trade receivables.

As at 31 December 2024, the Group's contract liabilities amounted to approximately RMB173.9 million (31 December 2023: approximately RMB147.1 million), most of which represented payments from the customers for moulds that had passed their initial inspection but for which the Group had not received their final acceptance reports.

EMPLOYEES, TRAINING AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 362 employees (31 December 2023: 358 employees). To promote employees' knowledge and technical expertise, the Group offers training programmes to employees from time to time according to their job duties. Employees' remuneration packages are determined with reference to the market information and individual performance and will be reviewed on a regular basis. In addition to basic remuneration, the Group also makes contributions to mandatory social security funds for the benefit of the PRC employees that provide for retirement insurance, medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing funds. The Company also maintains a share option scheme and a share award scheme, which aims to providing incentives to employees to contribute to the Group's development.

The total staff cost including remuneration, other employee benefits, equity-settled share reward expense and contributions to retirement schemes for the Directors and other staff of the Group for FY2024 amounted to approximately RMB51.1 million (FY2023: approximately RMB47.0 million). The increase in staff cost was mainly due to the increase in direct labor cost.

MATERIAL ACQUISITIONS AND DISPOSALS

During FY2024, the Group had no material acquisitions or disposals of subsidiaries, associated companies or joint ventures.

CONTINGENT LIABILITIES

As at 31 December 2024, the Group had no material contingent liabilities (as at 31 December 2023: Nil).

PLEDGES OVER GROUP'S ASSETS

In October 2022, the Group entered into a ten-year general facility agreement with a maximum credit limit of RMB80.0 million with Jiangsu Kunshan Rural Commercial Bank Co., Ltd. Zhangpu Sub-branch. which was raised to approximately RMB89.6 million in January 2024. The general facility was secured by the mortgages over the Group's leasehold land with a net carrying value of approximately RMB6.5 million at the end of the reporting period (31 December 2023: approximately RMB6.7 million), together with the new plant on the leasehold land with a net carrying value of approximately RMB75.4 million at the end of the reporting period (31 December 2023: approximately RMB75.9 million). As at 31 December 2024, the Group had borrowings of approximately RMB17.4 million in aggregate under the general facility agreement, which born interest at a rate of 3.3% per annum ("**p.a.**") (2023: 3.9% p.a.) and repayable in June 2025, December 2025 and June 2026, respectively.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Shinelong (Suzhou), a principal wholly-owned subsidiary of the Company, was established in 2002, and began its operation in the plant which was located at 2 Middle Yangguang Road, Zhangpu Town, Kunshan City, Jiangsu Province, the PRC, since 2003. With the development of business, Shinelong (Suzhou) has successively leased several plants, which are located in Zhangpu Town, Kunshan city, for mould production from third parties. The operation sites are relatively scattered, which is not optimal for effective production management. It has been the Group's intention to expand and consolidate the Group's operation. In 2022, the Group commenced the construction works of a new plant on a newly acquired piece of land located in Zhangpu Town, Kunshan City, which included construction works of research and development workshop, assembly workshop, CNC workshop, research and development and office building, and hazardous waste warehouse etc.. The construction work was completed by the end of 2023. For further details, please refer to the announcement of the Company dated 11 July 2022 and the circular of the Company dated 10 August 2022, respectively.

The decoration of the office building and other related works had been completed in the first half of 2024, and the new plant has been put into use during the reporting period.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 December 2024.

FOREIGN CURRENCY EXPOSURE

Since the Group generated most of the revenue and incurred most of the costs in Renminbi for FY2024, there was no significant exposure to foreign exchange rate and the Group did not maintain any hedging policy against foreign exchange risk. The management will consider hedging significant currency exposure should the need arise.

USE OF PROCEEDS

The net proceeds (the "**Net Proceeds**") from the global offering and the listing of the Company shares (the "**Listing**"), after deducting the underwriting fees and other related expenses in connection with the Listing, was approximately HKD95.6 million. The business objectives, future and planned use of proceeds as stated in the prospectus of the Company dated 17 June 2019 (the "**Prospectus**") were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the Net Proceeds were applied based on the actual development of the Group's business and the industry. The Directors regularly evaluate the Group's business objectives and may change or modify plans against the changing market condition to ascertain the business growth of the Group.

During the reporting period, taking into account that the Group does not have plan to purchase softwares for product analysis and mould design, and there remains outstanding payments for purchase of equipment, the Board has resolved to change the intended use of the unutilised Net Proceeds. For further details, please refer to the announcement of the Company dated 27 August 2024.

The following table sets out the utilisation of the Net Proceeds as at 31 December 2024:

	Percentage of Net Proceeds	Net Proceeds from the Global offering	Revised allocation	Utilised up to 31 December 2024	Unutilised as at 31 December 2024	Expected timeline for full utilisation
		HKD' million	*HKD' million*	*HKD' million*	*HKD' million*	
Lease the premises for new factory	4.0%	3.8	–	3.8	–	N/A
General set up costs of the factory	3.2%	3.1	–	2.7	0.4	By the end of 2025
Purchase new production equipment	76.3%	72.9	0.9	73.8	–	N/A
Purchase softwares	6.5%	6.2	(0.9)	5.3	–	N/A
Supplement working capital	10.0%	9.6	–	9.6	–	N/A
	100.0%	95.6	–	95.2	0.4	

The Board considers that the change in intended use of Net Proceeds will allow the Company to deploy its financial resources more effectively and will not have any material adverse impact on the operations of the Group and is in the best interests of the Company and its shareholders as a whole.

As at 31 December 2024, the unutilised Net Proceeds of approximately HKD0.4 million have been placed as interest bearing deposits with a bank in the Mainland of China.

COMPARISON OF EXPANSION PLANS WITH ACTUAL PROGRESS

An analysis comparing the expansion plans of the Group as set out in the Prospectus with the Group's actual business progress as at 31 December 2024 is set out below:

Expansion plans	Implementation plans	Actual business progress
Setting up a new factory	— Lease and set up a new factory	— The Group has leased a factory with a gross floor area of approximately 1,800 sq.m. in Kunshan in September 2019.
		— The Group has leased a factory and office premises with a gross floor area of approximately 1,407 sq.m. in Kunshan in August and October 2020.
	— General set up costs of the factory	— The Group has utilised an aggregate of HKD2.7 million on the construction of the foundation for the automatic thermoforming press line and the electrical distribution works.
Expanding the production facilities and capabilities	— Purchase new production equipment	— The Group has utilised an aggregate of HKD73.8 million to acquire one coordinate measuring machine, eleven computerised numerical control machines, a set of automatic thermoforming press lines, a set of hydraulic press used for hot forming, die spotting and testing and a set of heating furnace, a set of hydraulic press (including automatic handling system, heating furnace and heating control system) used for mould production and debugging, a set of hydraulic press used for mould die spotting.
	— Purchase softwares	— The Group has utilised an aggregate of HKD5.3 million to acquire computer softwares for product analysis and mould design.

EVENTS AFTER THE REPORTING PERIOD

As at the date of approval of these financial statements, apart from the events mentioned elsewhere in these financial statements, there was no other significant event subsequent to 31 December 2024.

ANNUAL GENERAL MEETING

The 2024 AGM will be held on Thursday 12 June 2025. Notice of the 2024 AGM will be published on the Company's website (www.shinlone.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk) and will be dispatched to the Shareholders of the Company (the "**Shareholders**") who requested the printed copy within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange(the "**Listing Rules**").

FINAL DIVIDEND

As compared with that for FY2023, the Group's revenue increased by approximately 8.7% and its net profit attributable to owners of the Company decreased by approximately 22.0% for FY2024. Given the uncertainty of the world economic conditions, as well as considering the capital requirements for the outstanding payment related to the plant construction, in order to maintain a stable financial condition and reserve working capital to tackle any unpredicted events, the Board recommends the payment of Final Dividend of HK0.719 cents (equivalent to RMB0.663 cents) per Share totalling approximately HKD4.7 million (equivalent to approximately RMB4.4 million) for the year ended 31 December 2024. The proposed Final Dividend is subject to the approval of the Shareholders at the 2024 AGM to be held on Thursday, 12 June 2025 and is expected to be paid by cash on Friday, 25 July 2025.

CLOSURE OF REGISTER OF MEMBERS FOR THE 2024 AGM

The 2024 AGM will be held on Thursday, 12 June 2025 and for the purpose of determining the Shareholders' eligibility to attend and vote at the 2024 AGM, the register of members of the Company will be closed from Monday, 9 June 2025 to Thursday, 12 June 2025, both days inclusive, during which period no transfer of the Shares will be registered. To qualify for attending and voting at the 2024 AGM, all properly completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 6 June 2025. Shareholders whose names appear on the register of members of the Company on Thursday, 12 June 2025 will be entitled to attend and vote at the 2024 AGM.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF FINAL DIVIDEND

Upon obtaining approval of the Shareholders at the forthcoming 2024 AGM, for the purpose of determining the Shareholders' entitlement to the Final Dividend, the register of members of the Company will be closed from Wednesday, 18 June 2025 to Thursday, 19 June 2025, both days inclusive, during which period no transfer of the Shares will be registered. To qualify for the proposed Final Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 17 June 2025. Shareholders whose names appear on the register of members of the Company on Thursday, 19 June 2025 will be entitled to receive the Final Dividend (subject to the approval by the Shareholders at the 2024 AGM).

REVIEW OF ACCOUNTS

The audit committee of the Company (the "**Audit Committee**") was established with written terms of reference in compliance with Appendix C1 to the Listing Rules. The Audit Committee is delegated by the Board to be responsible for reviewing and monitoring the financial reporting, risk management and internal control systems of the Company, and assist the Board to fulfill its responsibility over the audit of the Group.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2024 and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

The members of the Audit Committee comprises Mr. So George Siu Ming, Mr. Lin Lien-Hsing and Mr. Fan Chi Chiu who are independent non-executive Directors.

REVIEW OF PRELIMINARY ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for FY2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this annual results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

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.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the Model Code for the year ended 31 December 2024 and up to the date of this announcement.

The Company has also adopted the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Model Code by the employees was noted by the Company for the year ended 31 December 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that throughout the year ended 31 December 2024 and up to the date of this announcement, the Company has complied with all the code provisions as set out in the CG Code, except for code provision C.2.1 as set out below.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. However, the Group does not have a separate chairman and chief executive officer and Mr. Lin Wan-Yi currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Given that (i) all material decisions are approved by the Board, which currently comprises four executive Directors (including Mr. Lin Wan-Yi), one non-executive Director and three independent non-executive Directors; and (ii) the Directors proactively participate in all the board meetings and the relevant board committee meetings, and the chairman cum chief executive officer ensures all the Directors are duly informed of all the matters to be approved at the meetings, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

The Company has also put in place certain recommended best practices as set out in the CG Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during FY2024 and up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, as at the date of this announcement, the Directors confirm that the Company maintained sufficient public float as required under the Listing Rules.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the Company's website (www.shinlone.com.cn) and the Hong Kong Stock Exchange's website (www.hkex.com.hk). The annual report of the Company for the year ended 31 December 2024 containing all the information required under the Listing Rules will be dispatched to the Shareholders who requested the printed copy and made available on the above websites in due course.

By Order of the Board
Shinelong Automotive Lightweight Application Limited
Lin wan-Yi
Chairman and Executive Director

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises Mr. Lin Wan-Yi as Chairman and executive director; Mr. Yung Chia-Pu, Mr. Cheng Ching-Long and Mr. Lu Jen-Chieh as executive directors; Ms. Hsieh Pei-Chen as a non-executive director; and Mr. So George Siu Ming, Mr. Lin Lien-Hsing and Mr. Fan Chi Chiu as independent non-executive directors.