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## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **ANNUAL RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of SMC Electric Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2022.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>254,489</b>	230,443
Cost of revenue		<u>(184,529)</u>	<u>(168,550)</u>
<b>Gross profit</b>		<b>69,960</b>	61,893
Other income		<b>4,128</b>	2,583
Selling and distribution expenses		<b>(2,055)</b>	(3,612)
Administrative and other operating expenses		<b>(42,458)</b>	(27,118)
(Impairment loss)/Reversal of impairment loss on financial assets		<b>(97)</b>	209
Other (losses)/gains		<b>(260)</b>	203
Finance costs		<b>(34)</b>	(97)
<b>Profit before income tax</b>	5	<b>29,184</b>	34,061
Income tax expense	6	<b>(6,814)</b>	(5,742)
<b>Profit for the year attributable to owners of the Company</b>		<u><b>22,370</b></u>	<u>28,319</u>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising from translation of operations outside Hong Kong		<u>(2,045)</u>	<u>672</u>
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<u><b>20,325</b></u>	<u>28,991</u>
		<i>HK Cents</i>	<i>HK Cents</i>
<b>Earnings per share</b>	8		
– Basic and diluted		<u><b>1.119</b></u>	<u>1.416</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	<b>2022</b> <b>HK\$'000</b>	2021 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		4,941	4,278
Right-of-use assets		5,324	3,583
Prepayments for acquisition of property, plant and equipment		2,873	5,150
		<u>13,138</u>	<u>13,011</u>
<b>Current assets</b>			
Inventories		23,374	39,792
Trade and other receivables, deposits and prepayments	9	56,390	80,095
Tax prepaid		–	405
Amount due from ultimate holding company		147	–
Amount due from a fellow subsidiary		6	–
Cash and bank balances		89,297	90,910
		<u>169,214</u>	<u>211,202</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	10	36,075	53,721
Lease liabilities		5,360	3,636
Amounts due to fellow subsidiaries		738	1,168
Tax payable		1,323	1,293
		<u>43,496</u>	<u>59,818</u>
<b>Net current assets</b>		<u>125,718</u>	<u>151,384</u>
<b>Total assets less current liabilities</b>		<u>138,856</u>	<u>164,395</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		136	–
<b>Net assets</b>		<u>138,720</u>	<u>164,395</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	11	20,000	20,000
Reserves		118,720	144,395
<b>Total equity</b>		<u>138,720</u>	<u>164,395</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 December 2022*

### 1. GENERAL INFORMATION

The Company was incorporated on 5 December 2018 in the Cayman Islands as an exempted company with limited liability. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 2 June 2020.

The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is located at 1/F., Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong.

The Company is an investment holding company. The principal activities carried out by the Company and its subsidiaries are manufacturing and selling of electric tools and sourcing and selling of electric fans.

The Directors of the Company consider its ultimate holding company is Shell Electric Holdings Limited, a company incorporated in Bermuda.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards which collective term include individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost basis.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

Accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates and assumptions are based on management’s best knowledge and judgment of current events and actions, actual results may ultimately be different from those estimates and assumptions.

### 3. ADOPTION OF NEW OR REVISED HKFRS

#### 3.1 Application of revised HKFRS – effective on 1 January 2022

The HKICPA has issued a number of revised HKFRS that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Reference to the Conceptual Framework
2021 Amendment to HKFRS 16	COVID-19 – Related Rent Concessions Beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Costs of Fulfilling a Contract
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41	Annual Improvements to HKFRSs 2018-2020

The adoption of the above revised HKFRS that are effective from 1 January 2022 does not have any significant impact on the Group’s financial results and financial position.

#### 3.2 New or revised HKFRS that have been issued but are not yet effective

The following new or revised HKFRS, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group in the preparation of the consolidated financial statements.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current (the “2020 Amendments”) <sup>2</sup>
Amendments to HKAS 1	Non-Current Liabilities with Covenants (the “2022 Amendments”) <sup>2, 4</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>

1 Effective for annual periods beginning on or after 1 January 2023

2 Effective for annual periods beginning on or after 1 January 2024

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024. In addition, as a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised to align the corresponding wording with no change in conclusion

The directors anticipate that all of the relevant pronouncements will be adopted in the Group’s accounting policy for the first period beginning after the effective date of the pronouncement. The directors are currently assessing the possible impact of these new or revised standards on the Group’s results and financial position in the first year of application. The directors consider that these new standards and amendments are unlikely to have a material impact to the Group’s consolidated financial statements.

#### 4. REVENUE

The Group is principally engaged in the manufacturing and selling of electric tools and sourcing and selling of electric fans. Sales from the principal activities represent revenue from contracts with customers within the scope of HKFRS 15, which is recognised at a point in time and comprise:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Sales of electric fans and electric tools:		
– Fans	111,554	131,872
– Vacuum cleaners	106,796	76,235
– Work lights	34,471	22,240
– Others	1,668	96
	<u>254,489</u>	<u>230,443</u>

#### 5. PROFIT BEFORE INCOME TAX

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit before income tax is arrived at after charging:		
Auditors' remuneration:		
– Current year	833	755
Cost of inventories recognised as expense		
– Carrying amount of inventories consumed	184,230	168,508
– Allowance for inventories	299	42
	<u>184,529</u>	<u>168,550</u>
Depreciation of property, plant and equipment	2,047	1,402
Depreciation of right-of-use assets	3,581	3,572
Donations	4,851	–
Short-term lease expense	796	31
Write-off of other receivables	19	–
Employee benefit expenses (including directors' emoluments)*		
– Salaries, wages and other benefits	31,734	23,870
– Contribution to defined contribution retirement plans	1,378	1,290
	<u>33,112</u>	<u>25,160</u>

\* During the year, the Group successfully applied for funding support from Employment Support Scheme set up by the Hong Kong Government. The purpose of the Employment Support Scheme is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all of the funding on paying wages to their employees. There were no unfulfilled conditions or contingencies relating to this funding support amounting to approximately HK\$744,000 (2021: nil) which was applied towards reducing the Group's employee benefit expenses for the year.

## 6. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax for the year		
– Hong Kong Profits Tax	4,822	5,118
– Other regions of the People’s Republic of China (the “PRC”) – Enterprise Income Tax (“EIT”)	1,212	665
– Withholding tax on dividends	666	–
	<u>6,700</u>	<u>5,783</u>
Under/(Over) provision in prior years		
– Hong Kong Profits Tax	20	(41)
– Other regions of the PRC	(42)	–
	<u>(22)</u>	<u>(41)</u>
Deferred tax	<u>136</u>	–
Income tax expense	<u><u>6,814</u></u>	<u><u>5,742</u></u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to income tax in the Cayman Islands.

Hong Kong Profits Tax was calculated at 16.5% (2021:16.5%) on the estimated assessable profits derived from Hong Kong for the year.

EIT arising from other regions of the PRC is calculated at 25% (2021: 25%) on the estimated assessable income for the year.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by its subsidiary established in the PRC in respect of earnings generated by the subsidiary from 1 January 2008 and the applicable tax rate is 5%.

## 7. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interim dividend of HK\$0.02 (2021: nil) per ordinary share	40,000	–
Proposed final dividend of HK\$0.01 (2021: HK\$0.003) per ordinary share	20,000	6,000
	<u>60,000</u>	<u>6,000</u>

The final dividend of HK\$0.01 (2021: HK\$0.003) per ordinary share, amounting to HK\$20,000,000 (2021: HK\$6,000,000), has been proposed by the directors and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share attributable to the owners of the Company is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Profit</b>		
Profit for the year attributable to owners of the Company	<u>22,370</u>	<u>28,319</u>
	2022	2021
	Number of	Number of
	shares	shares
	'000	'000
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the year	<u>2,000,000</u>	<u>2,000,000</u>

### (b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in issue during the current and prior years.

## 9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	47,822	72,155
Less: Provision for impairment	<u>(371)</u>	<u>(274)</u>
Trade receivables, net	47,451	71,881
Other receivables	4,468	2,008
Other prepayments and deposits	<u>4,471</u>	<u>6,206</u>
	<u>56,390</u>	<u>80,095</u>



The ageing analysis of the trade receivables (gross), based on invoice date, as of the end of the reporting period is as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	<b>15,037</b>	18,673
31 – 60 days	<b>11,428</b>	21,041
61 – 90 days	<b>5,491</b>	15,915
Over 90 days	<b>15,866</b>	16,526
	<u><b>47,822</b></u>	<u>72,155</u>

The Group normally allows a credit period of 45 days to 180 days to its customers.

#### **10. TRADE AND OTHER PAYABLES AND ACCRUALS**

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	<b>9,803</b>	31,919
Accruals and other payables	<b>26,112</b>	20,349
Contract liabilities	<b>160</b>	1,453
	<u><b>36,075</b></u>	<u>53,721</u>

Credit periods granted by suppliers normally range from nil to 120 days.

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

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	<b>8,137</b>	19,298
31 – 60 days	<b>717</b>	8,143
61 – 90 days	<b>177</b>	2,519
Over 90 days	<b>772</b>	1,959
	<u><b>9,803</b></u>	<u>31,919</u>

## 11. SHARE CAPITAL

Details of the movements in the authorised and issued and fully paid share capital of the Company during the current and prior years are summarised as follows:

<b>Ordinary shares</b>	<b>Par value <i>HK\$</i></b>	<b>Number of ordinary shares</b>	<b>Amount <i>HK\$'000</i></b>
<b>Authorised:</b>			
At 1 January 2021, 31 December 2021 and 2022	0.01	5,000,000,000	50,000
		<u><u>                                    </u></u>	<u><u>                                    </u></u>
<b>Issued and fully paid:</b>			
At 1 January 2021, 31 December 2021 and 2022	0.01	2,000,000,000	20,000
		<u><u>                                    </u></u>	<u><u>                                    </u></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the year ended 31 December 2022, the Group continued to face challenges of high raw materials cost, and irregular shipping schedule. Despite the challenges, the Group reported revenue growth in the year compared to the previous year.

The electric fan business had experienced irregular shipping schedule and shortage of raw materials during the COVID-19 pandemic, which had slightly affected its production cost and gross profit.

For the electronic tools business, the shortage of major component supply problems experienced in 2022 have been solved. The Group has invested in new products, which will generate additional revenue to diversify uncertainties in the market.

Looking ahead, the year of 2023 will be more optimistic. We will invest in new products and strive to achieve a steady return.

### **FINANCIAL REVIEW**

#### **Revenue and Operating Results**

Revenue from the Group's operations for the year ended 31 December 2022 amounted to HK\$254.5 million, representing an increase of HK\$24.1 million or 10.5% as compared to HK\$230.4 million for the year ended 31 December 2021. Such increase was primarily attributable to the increase in the sales volume of electric tools.

The Group's gross profit for the year ended 31 December 2022 amounted to HK\$70.0 million, representing an increase of HK\$8.1 million as compared to HK\$61.9 million for the year ended 31 December 2021. The gross profit margin for the year ended 31 December 2022 was 27.5%, representing an increase of 0.6 percentage points compared to 26.9% for the year ended 31 December 2021.

Profit attributable to the owners of the Company for the year ended 31 December 2022 was HK\$22.4 million, representing a decrease of HK\$5.9 million or 20.8% as compared to HK\$28.3 million for the year ended 31 December 2021. The decrease in profit attributable to the owners of the Company was mainly attributable to increase in administrative and other operating expenses, including increase in donations of HK\$4.9 million.

#### **Liquidity, Financial Resources and Capital Structure**

The Group has adequate liquidity and financial resources to meet the working capital requirements and other financial obligations in the next financial year. The Group will continue to follow a prudent treasury policy and maintain a healthy financial and liquidity position to achieve the Group's future business development. As at 31 December 2022, the Group's total cash and bank balances amounted to approximately HK\$89.3 million (2021: HK\$90.9 million) which is mainly denominated in United States Dollars ("US\$") and HK\$.

As at 31 December 2022, the current ratio of the Group was approximately 3.89 times (2021: approximately 3.53 times).

The capital of the Group comprises only ordinary shares. As at 31 December 2022, there were 2,000,000,000 ordinary shares in issue. There has been no change in the Company's capital structure since the date of listing and up to the date of this announcement.

### **Foreign Exchange Exposure**

The Group mainly operates in Hong Kong, the PRC and Vietnam. The functional currencies of the Company and the Group's operating entities are mainly HK\$ and Renminbi (the "RMB") with certain of their business transactions being settled in US\$. The Group is thus exposed to currency risk arising from fluctuation on exchange rates of foreign currencies, primarily HK\$, RMB and US\$ against the functional currencies of the relevant operating entities. During the financial year, the Group does not have foreign currency hedging policy, but the management continuously monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

### **Gearing Ratio**

The gearing ratio of the Group (expressed as a percentage of total bank borrowings net of cash and bank balances to total equity of the Group) as at 31 December 2022 was nil (2021: nil) as the Group had net cash balances at the respective year end.

### **Capital Expenditure and Capital Commitments**

During the year ended 31 December 2022, the Group incurred capital expenditure of HK\$6.3 million for the purchase of property, plant and equipment, right-of-use assets and prepayment for acquisition of property, plant and equipment (2021: HK\$4.2 million).

As at 31 December 2022, the Group had total capital commitments of approximately HK\$1.1 million (2021: HK\$1.3 million) for the acquisition of property, plant, and equipment.

### **Contingent Liabilities**

The Directors confirm that there were no material contingent liabilities as at 31 December 2022 (2021: nil).

### **Significant Investment/Material Acquisition and Disposal**

During the year ended 31 December 2022, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries.

### **Future Plans for Material Investments or Capital Assets**

Save as disclosed in this announcement, there is no plan authorised by the Board for other material investments or additions of capital assets as at the date of this announcement.

## Employees and Remuneration Policy

As at 31 December 2022, the total number of employees of the Group was 106 (2021: 132), which were stationed in the PRC, Hong Kong and Vietnam. The Group regularly reviews remuneration and benefits to its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance, employee provident fund schemes and discretionary incentive.

## PLEDGE OF ASSETS

As at 31 December 2022, the Group did not have any assets which were pledged as security for the Group's borrowings (2021: nil).

## USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds from the share offer (after deducting the underwriting fees and related expenses) amounted to approximately HK\$42.5 million. The Directors had evaluated the Group's business plan and considered that, as at the date of this announcement, there is no modification of the business plan regarding the use of proceeds as described in the prospectus of the Company (the "Prospectus") date 19 May 2020 and the proceeds are to be used as intended as disclosed in the Prospectus.

The Group had utilised approximately HK\$6.8 million of the net proceeds as at 31 December 2022. The unused net proceeds have been placed as interest-bearing deposits with licensed banks in Hong Kong. Set out below is a summary of the utilisation of the net proceeds:

	Allocation of net proceeds as disclosed in the Prospectus HK\$ million	Unutilised amount as at 31 December 2021 HK\$ million	Actual utilised amount during the year HK\$ million	Unutilised amount as at 31 December 2022 HK\$ million	Expected timeline for use of unutilised proceeds (note)
Improvement of efficiencies	6.3	4.8	1.1	3.7	31 December 2024
Expand manufacturing capabilities	25.9	22.5	0.3	22.2	31 December 2024
Devoting resources on new products	10.3	10.2	0.4	9.8	31 December 2024
	<u>42.5</u>	<u>37.5</u>	<u>1.8</u>	<u>35.7</u>	

*Notes:*

1. The Board considers that in view of the dynamic changes in the global and local economic environment since the onset of COVID-19 in 2020 and the associated demand uncertainty, amid a new and evolving geopolitical setting, a relatively longer timeline is expected for the Group to review and assess the market condition to utilise the unutilised net proceeds. The Board extend the expected timeline for use of unutilised proceeds to on or before 31 December 2024.
2. The expected timeline for use of unutilised proceeds is based on the Group's best estimation of the future market condition. It is subject to change based on the current and future development of the market condition.

## **SHARE OPTION SCHEME**

The Company has a share option scheme (the “**Share Option Scheme**”) which was approved and adopted by the shareholder of the Company on 29 April 2020.

No share option has been granted under the Share Option Scheme since its adoption.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the year ended 31 December 2022, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) set out in Appendix 14 to the Listing Rules have been duly adopted by the Board as the code on corporate governance practices of the Company.

The Company has complied with the code provisions of the CG Code as set out in Appendix 14 to the Listing Rules for the time being in force throughout the year ended 31 December 2022.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management and relevant employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry by the Company, all Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2022. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the year under review.

## **AUDIT COMMITTEE**

The Company has established an audit committee comprising two independent non-executive directors and one non-executive director, namely Mr. Leung Man Chiu, Lawrence (Chairman), Mr. Poon Chak Sang, Plato and Mr. Yung Kwok Kee, Billy. The audit committee has reviewed, with no disagreement, with the senior management on the Group's annual results and the consolidated financial statements for the year ended 31 December 2022, including the accounting principles and practices adopted by the Group, and discussed financial reporting, auditing, internal controls and risk management systems.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This announcement is published on the HKEXnews website of the Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<http://www.smcelectric.com.hk>). The 2022 Annual Report for the year ended 31 December 2022 will be despatched to shareholders of the Company and will be made available on the above websites in due course.

## **REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by BDO Limited on this preliminary announcement.

## **FINAL DIVIDEND**

The Board of the Company has proposed a final dividend of HK1.0 cent (2021: HK0.3 cents) per ordinary share for the year ended 31 December 2022.

## **CLOSURE OF REGISTER OF MEMBERS**

To ascertain the members' entitlement to attend and vote at the forthcoming annual general meeting, the register of members will be closed from Friday, 9 June 2023 to Friday, 16 June 2023, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attendance of the meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 8 June 2023.

Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend will be payable on Monday, 17 July 2023 to the shareholders whose names appear on the register of members of the Company on Tuesday, 27 June 2023. To ascertain the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from Friday, 23 June 2023 to Tuesday, 27 June 2023, both days inclusive, during which period no transfer of shares will be registered by the Company. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 21 June 2023.

### **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held at 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong on Friday, 16 June 2023 at 11:00 a.m. The notice of the annual general meeting will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

By Order of the Board  
**SMC Electric Limited**  
**LEUNG Chun Wah**  
*Executive Director*

Hong Kong, 30 March 2023

*As at the date of this announcement, the Board comprises three executive directors, namely, Mr. LEUNG Chun Wah, Mr. TANG Che Yin and Mr. CHOW Kai Chiu, David; two non-executive directors, namely, Mr. YUNG Kwok Kee, Billy and Mdm. LI Pik Mui, Cindy and three independent non-executive directors, namely, Mr. LEUNG Man Chiu, Lawrence, Mr. POON Chak Sang, Plato and Mr. HO Chi Sing, Spencer.*