

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Revenue	4	230,443	249,409
Cost of revenue		<u>(168,550)</u>	<u>(173,170)</u>
Gross profit		61,893	76,239
Other income		2,583	5,941
Selling and distribution expenses		(3,612)	(2,554)
Administrative and other operating expenses		(27,118)	(27,637)
Reversal of impairment loss/(Impairment loss) on financial assets		209	(92)
Listing expenses		–	(4,822)
Other gains/(losses)		203	(2,031)
Finance costs		<u>(97)</u>	<u>(208)</u>
Profit before income tax	5	34,061	44,836
Income tax expense	6	<u>(5,742)</u>	<u>(8,483)</u>
Profit for the year attributable to owners of the Company		<u>28,319</u>	<u>36,353</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange difference arising from translation of operations outside Hong Kong		<u>672</u>	<u>1,251</u>
Total comprehensive income for the year attributable to owners of the Company		<u>28,991</u>	<u>37,604</u>
Earnings per share	8	HK Cents	HK Cents
– Basic and diluted		<u>1.416</u>	<u>1.928</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 HK\$'000	2020 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		4,278	4,520
Right-of-use assets		3,583	7,123
Prepayments for acquisition of property, plant and equipment		5,150	1,996
		13,011	13,639
Current assets			
Inventories		39,792	22,127
Trade and other receivables, deposits and prepayments	9	80,095	85,828
Tax prepaid		405	647
Cash and bank balances		90,910	77,464
		211,202	186,066
Current liabilities			
Trade and other payables and accruals	10	53,721	47,616
Lease liabilities		3,636	3,552
Amounts due to fellow subsidiaries		1,168	193
Tax payable		1,293	1,326
		59,818	52,687
Net current assets		151,384	133,379
Total assets less current liabilities		164,395	147,018
Non-current liabilities			
Lease liabilities		–	3,614
Net assets		164,395	143,404
CAPITAL AND RESERVES			
Share capital	11	20,000	20,000
Reserves		144,395	123,404
Total equity		164,395	143,404

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL INFORMATION

SMC Electric Limited 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 “**Listing Date**”).

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 (“**Shell Holdings**”), a company incorporated in Bermuda.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRS 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 financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”).

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

The financial statements are presented in 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

(a) Adoption of new or revised HKFRS – effective on 1 January 2021

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

Amendment to HKFRS 16	COVID-19 Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4, and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The adoption of the above new or revised HKFRS that are effective from 1 January 2021 does not have any significant impact on the Group's financial results and financial position.

(b) 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 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 HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
2021 Amendment to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 ²
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Annual Improvements to HKFRSs 2018-2020 Cycle	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments; HKFRS 16 Leases ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) ⁵
HKFRS 17	Insurance Contracts ⁵
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁵
Amendments to HKAS 8	Definition of Accounting Estimates ⁵
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁵

¹ No mandatory effective date yet determined but available for adoption

² Effective for annual periods beginning on or after 1 April 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022

⁵ Effective for annual periods beginning on or after 1 January 2023

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 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Sales of electric fans and electric tools:		
– Fans	131,872	121,203
– Vacuum cleaners	76,235	89,058
– Work lights	22,240	36,038
– Others	96	3,110
	<u>230,443</u>	<u>249,409</u>

5. PROFIT BEFORE INCOME TAX

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit before income tax is arrived at after charging/(crediting):		
Auditors' remuneration:		
– Current year	755	696
Cost of inventories recognised as expense		
– Carrying amount of inventories consumed	168,508	173,218
– Allowance/(Reversal of allowance) for inventories	42	(48)
	<u>168,550</u>	<u>173,170</u>
Depreciation of property, plant and equipment	1,402	1,083
Depreciation of right-of-use assets	3,572	3,052
Employee benefit expenses (including directors' emoluments):		
– Salaries, wages and other benefits	23,870	24,085
– Contribution to defined contribution retirement plans	1,290	917
	<u>25,160</u>	<u>25,002</u>

6. INCOME TAX EXPENSE

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

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
– Hong Kong Profits Tax		
– tax for the year	5,118	6,420
– over provision in respect of prior year	(41)	(88)
– Other regions of the People’s Republic of China (the “ PRC ”)		
– Enterprise Income Tax (“ EIT ”)	665	2,151
	<hr/>	<hr/>
Income tax expense	5,742	8,483
	<hr/> <hr/>	<hr/> <hr/>

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

Hong Kong Profits Tax was calculated at 16.5% (2020: 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% (2020: 25%) on the estimated assessable income for the year.

7. DIVIDENDS

Final dividend of HK\$0.003 (2020: HK\$0.004) per ordinary share, amounting to HK\$6,000,000 (2020: HK\$8,000,000), 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit:		
Profit for the year attributable to owners of the Company	<u>28,319</u>	<u>36,353</u>
	2021 Number of shares '000	2020 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares in issue during the year	<u>2,000,000</u>	<u>1,885,041</u>

The weighted average number of ordinary shares used for the purpose of calculating basic earnings per share represented the weighted average number of ordinary shares in issue during the year, after giving effect of the Capitalisation Issue as further described in note 11(d) as if the Capitalisation Issue had occurred on 1 January 2020.

(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 year.

9. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	72,155	80,709
Less: Provision for impairment	<u>(274)</u>	<u>(483)</u>
Trade receivables, net	71,881	80,226
Other receivables	2,008	1,724
Other prepayments and deposits	<u>6,206</u>	<u>3,878</u>
	<u>80,095</u>	<u>85,828</u>

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	18,673	12,837
31 to 60 days	21,041	19,490
61 to 90 days	15,915	18,235
Over 90 days	16,526	30,147
	<u>72,155</u>	<u>80,709</u>

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

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	31,919	25,818
Accruals and other payables	20,349	20,411
Contract liabilities	1,453	1,387
	<u>53,721</u>	<u>47,616</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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0 to 30 days	19,298	16,748
31 to 60 days	8,143	7,629
61 to 90 days	2,519	459
Over 90 days	1,959	982
	<u>31,919</u>	<u>25,818</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 year are summarised as follows:

Ordinary shares	Par value HK\$	Number of ordinary shares	Amount HK\$'000
Authorised:			
At 1 January 2020	0.01	38,000,000	380
Increase in authorized share capital (<i>note a</i>)	0.01	4,962,000,000	49,620
At 31 December 2020 and 2021	0.01	5,000,000,000	50,000
Issued and fully paid:			
At 1 January 2020	0.01	1	–
Issue of shares under Share Swap Agreement (<i>note b</i>)	0.01	37,999,999	380
Issue of shares upon listing (<i>note c</i>)	0.01	275,000,000	2,750
Issue of shares by capitalisation of share premium (<i>note d</i>)	0.01	1,687,000,000	16,870
At 31 December 2020 and 2021	0.01	2,000,000,000	20,000

Notes:

- (a) Pursuant to the written resolution passed by the then shareholders of the Company on 7 February 2020, the authorised share capital of the Company was increased from HK\$380,000 divided into to 38,000,000 ordinary shares to HK\$50,000,000 divided into 5,000,000,000 ordinary shares by the creation of an additional 4,962,000,000 ordinary shares of HK\$0.01 each.
- (b) On 7 February 2020, a share swap agreement was entered into between Shell Holdings as vendor and the Company as purchaser pursuant to which Shell Holdings agrees to sell, and the Company agrees to purchase one share, being the entire issued share capital of SMC Electric Holdings Limited, from Shell Holdings. The Company allotted and issued 37,999,999 shares to Shell Holdings as consideration to acquire the entire interest of SMC Electric Holdings Limited. The share premium arising of HK\$45,572,000 represented the difference between the investment cost of SMC Electric Holdings Limited of approximately HK\$45,952,000 and the par value of the shares issued by the Company totalling HK\$380,000.
- (c) On the Listing Date, the Company issued 275,000,000 new shares at HK\$0.25 per share comprising 125,000,000 new shares by way of placing and 150,000,000 new shares by the way of public offer.
- (d) Upon completion of issuing the new shares as mentioned in note(c) above, the Company issued 1,687,000,000 ordinary shares of HK\$0.01 each by the way of capitalising an amount of HK\$16,870,000 from the share premium account of the Company (the “**Capitalisation Issue**”).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2021, the COVID-19 pandemic continued to disrupt global economies, international trade and our Group's business. In particular, various pandemic-related factors such as elevated raw material prices, ocean freight rates and shortage of shipping containers, all impacted our business.

The revenue from the electric fan business for the year ended 31 December 2021 recorded a slight increase as compared to the previous year. In light of ocean freight disruption and increase in material prices, production costs and export business were affected. Due to the shortage of shipping containers, the business in Australia was greatly affected, whereas the business in Middle East and Asia still recorded an increase compared to the previous year. Customer orders in the electric tools business continued to be strong. However, with global shortages in integrated circuit components and shipping containers, there were huge backlogs in fulfilment of these orders. This supply shortage situation remains difficult to predict. The general increasing trend of prices is still a major threat to the overall operating margin. With new product awards and diversified supplier base, 2022 should see an improvement in turnover.

The Group expects the magnitude and pace of the global economic recovery to improve in 2022, and the supply logistic and demand of electric fans and electric tools will recover gradually. We intend to further improve our strategic actions in risk management, operational cost control, supply chain agility and liquidity position enhancement in the forthcoming year. Management will proactively pursue various avenues to further reduce the risk exposure and strengthen our competitiveness in the market.

FINANCIAL REVIEW

Revenue and operating results

Revenue from the Group's operations for the year ended 31 December 2021 amounted to HK\$230.4 million, representing a decrease of HK\$19.0 million or 7.6% as compared to HK\$249.4 million for the year ended 31 December 2020. Such decrease was primarily attributable to the decrease in the sales volume of electric tools.

The Group's gross profit for the year ended 31 December 2021 amounted to HK\$61.9 million, representing a decrease of HK\$14.3 million as compared to HK\$76.2 million for the year ended 31 December 2020. The gross profit margin for the year ended 31 December 2021 was 26.9%, representing a decrease of 3.7 percentage points compared to 30.6% for the year ended 31 December 2020. The Group's gross profit margin decrease was mainly due to increase in material costs.

Profit attributable to the owners of the Company for the year ended 31 December 2021 was HK\$28.3 million, representing a decrease of HK\$8.1 million or 22.3% as compared to HK\$36.4 million for the year ended 31 December 2020. The decrease in profit for the year was mainly attributable to the drop in revenue and increase in material costs as mentioned above.

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 2021, the Group's total cash and bank balances amounted to approximately HK\$90.9 million (2020: HK\$77.5 million) which is mainly denominated in United States Dollars ("US\$") and HK\$.

As at 31 December 2021, the current ratio of the Group was approximately 3.53 times (2020: approximately 3.53 times).

The capital of the Group comprises only ordinary shares. As at 31 December 2021, 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 and the PRC. 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 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 2021 was nil (31 December 2020: nil) as the Group had net cash balances at the respective year end.

Capital Expenditure and Capital Commitments

During the year ended 31 December 2021, the Group incurred capital expenditure of HK\$4.2 million for the purchase of property, plant and equipment (2020: HK\$2.9 million).

As at 31 December 2021, the Group had total capital commitments of approximately HK\$1.3 million (2020: HK\$2.8 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 2021 (31 December 2020: nil).

Significant Investment/Material Acquisition and Disposal

During the year ended 31 December 2021, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries.

Employees and Remuneration Policy

As at 31 December 2021, the total number of employees of the Group was 132 (2020: 140), which were stationed in the PRC and Hong Kong. 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 ON ASSETS

As at 31 December 2021, the Group did not have any assets which were pledged as security for the Group's borrowings (2020: 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 dated 19 May 2020 and the proceeds are to be used as intended as disclosed in the Prospectus.

The Group had utilised approximately HK\$5.0 million of the net proceeds as at 31 December 2021. 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 <i>HK\$ million</i>	Unutilised amount as at 31 December 2020 <i>HK\$ million</i>	Actual utilised amount during the year <i>HK\$ million</i>	Unutilised amount as at 31 December 2021 <i>HK\$ million</i>	Expected timeline for use of unutilised proceeds <i>(note)</i>
Improvement of efficiencies	6.3	5.5	0.7	4.8	31 December 2022
Expand manufacturing capabilities	25.9	24.3	1.8	22.5	31 December 2022
Devoting resources on new products	10.3	10.3	0.1	10.2	31 December 2022
	<u>42.5</u>	<u>40.1</u>	<u>2.6</u>	<u>37.5</u>	

Notes:

1. There was a delay in the use of proceeds because the Group encountered uncertainties arising from the COVID-19 pandemic since early 2020, which caused global economic downturn and management remains prudent on the expansion.
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 2021, 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 2021.

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 2021. 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 2021, 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 2021 Annual Report for the year ended 31 December 2021 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 2021 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 in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

FINAL DIVIDEND

The Board of the Company has proposed a final dividend of HK0.3 cents (2020: HK0.4 cents) per ordinary share for the year ended 31 December 2021.

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, 10 June 2022 to Friday, 17 June 2022, 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, 9 June 2022.

Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend will be payable on Monday, 18 July 2022 to the shareholders whose names appear on the register of members of the Company on Wednesday, 29 June 2022. To ascertain the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from Monday, 27 June 2022 to Wednesday, 29 June 2022, 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 Friday, 24 June 2022.

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, 17 June 2022 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, 28 March 2022

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; one non-executive director, namely, Mr. YUNG Kwok Kee, Billy; and three independent non-executive directors, namely, Mr. LEUNG Man Chiu, Lawrence, Mr. POON Chak Sang, Plato and Mr. HO Chi Sing, Spencer.