

## Morning Market Movements | Sig Energy Plummets Over 9% After Being Sued by Huawei for Patent Infringement

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April 18, Sige New Energy (06656) Yesterday's close was HK\$659.5, today's open is HK\$643.0, and as of press time the price stands at HK\$600.0, down more than 9.02%.



### Key Overview

- Market reports indicate that Huawei has filed a patent infringement complaint.
- Stock Price Soars on First Trading Day, Then Retreats
- Yesterday's data showed net outflows of retail investor funds.

Sige New Energy (06656.HK), which made its debut yesterday, experienced a sharp pullback in the morning session. Market attention is now focused on a patent-infringement complaint. According to reports, Huawei Digital Power has filed a patent-infringement complaint with the relevant intellectual-property authority, alleging **Sige New Energy and its affiliated companies have infringed two of its patents**, namely, "Method and Apparatus for Adjusting the Inverter Bus Voltage" and "Method and Apparatus for Determining the Global Maximum Output Power." Market sources indicate that the patents in question may number more than ten, covering core products such as integrated solar-plus-storage systems and solar-plus-storage inverters, which account for over 90% of the company's revenue.

Notably, Xu Yingtong, founder of Sig Energy, previously worked at Huawei for 23 years and served as President of Huawei's Smart PV Business.

The stock delivered a remarkably strong performance on its debut trading day, listing at the offer price of HK\$324.2. **It closed at HK\$659.5 yesterday, up a whopping 103.4% on the day.**

Following a substantial surge in the stock price, profit-taking pressure has emerged in the market, becoming one of the potential factors driving stock price volatility.

Based on fund flow data, on April 17, the stock recorded a massive net inflow of HK\$20.64 million in large-order transactions, but **Retail investors recorded a net outflow of HK\$91.73 million**. From the perspective of brokerage seats, Goldman Sachs and BTIG were the main selling brokers yesterday, indicating that some investors may have chosen to take profits at the high stock price.