



Fortior Tech
峰昭科技

峰昭科技(深圳)股份有限公司

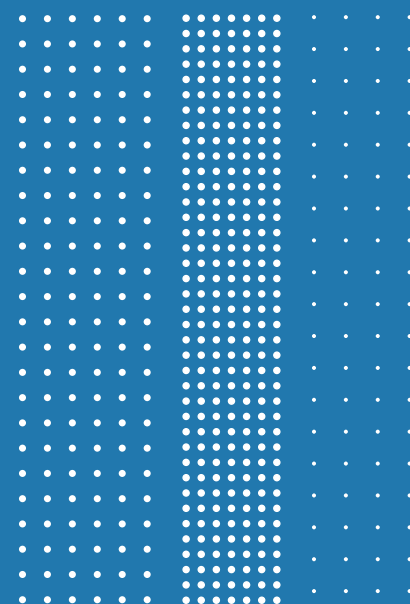
Fortior Technology(Shenzhen)Co., Ltd.

(A joint stock company incorporated in the People's
Republic of China with limited liability)

Stock code : 1304

FORTIOR TECH

2025 INTERIM REPORT





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Corporate Information

DIRECTORS

Executive Directors

Mr. Bi Lei (*Chairman*)

Dr. Bi Chao

Independent Non-executive Directors

Dr. Lin Mingyao

Dr. Niu Shuangxia

Mr. Chen Jingyang

SUPERVISORS

Ms. Wang Yuhong (retired on September 10, 2025)

Ms. Liu Haimei (retired on September 10, 2025)

Mr. Bai Yuhong (retired on September 10, 2025)

AUDIT COMMITTEE

Mr. Chen Jingyang (*Chairperson*)

Dr. Lin Mingyao

Dr. Niu Shuangxia

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Chen Jingyang (*Chairperson*)

Mr. Bi Lei

Dr. Niu Shuangxia

NOMINATION COMMITTEE

Dr. Niu Shuangxia (*Chairperson*)

Mr. Bi Lei

Dr. Lin Mingyao

STRATEGY AND ESG COMMITTEE

Mr. Bi Lei (*Chairperson*)

Dr. Bi Chao

Dr. Niu Shuangxia

JOINT COMPANY SECRETARIES

Ms. Jiao Qianqian

Mr. Hou Haowen

AUTHORIZED REPRESENTATIVES

Mr. Bi Lei

Mr. Hou Haowen

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Software Park (Phase II)

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Nanshan District, Shenzhen

Guangdong

PRC

PLACE OF BUSINESS IN HONG KONG

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248 Queen's Road East

Wanchai

Hong Kong

COMPANY'S WEBSITE

www.fortiortech.com

HONG KONG LEGAL ADVISOR

Paul Hastings (Hong Kong) LLP

COMPLIANCE ADVISOR

Altus Capital Limited

21 Wing Wo Street

Central

Hong Kong

AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

PRINCIPAL BANKS

Bank of China, Shenzhen Shenzhen Bay Branch

Ping An Bank, Shenzhen Xiangmi Lake Branch

Bank of Ningbo, Shenzhen Nanshan Branch

H SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Financial Highlights

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Operating income	375,040	282,324
Operating costs	(180,448)	(133,931)
Gross profit	194,592	148,393
Profit before tax	121,801	124,101
Income tax expense	(5,290)	(2,080)
Profit for the period	116,511	122,021

	As of June 30, 2025 RMB'000 (unaudited)	As of December 31, 2024 RMB'000 (audited)
Non-current assets	804,927	1,013,070
Current assets	1,937,173	1,636,181
Current liabilities	88,305	78,954
Net current (liabilities) assets	1,848,868	1,557,227
Total assets less current liabilities	2,653,795	2,570,297
Net assets	2,638,486	2,552,935
Share capital	92,363	92,363
Retained profit	582,311	439,515
Total equity	2,638,486	2,552,935

Management Discussion and Analysis

BUSINESS REVIEW

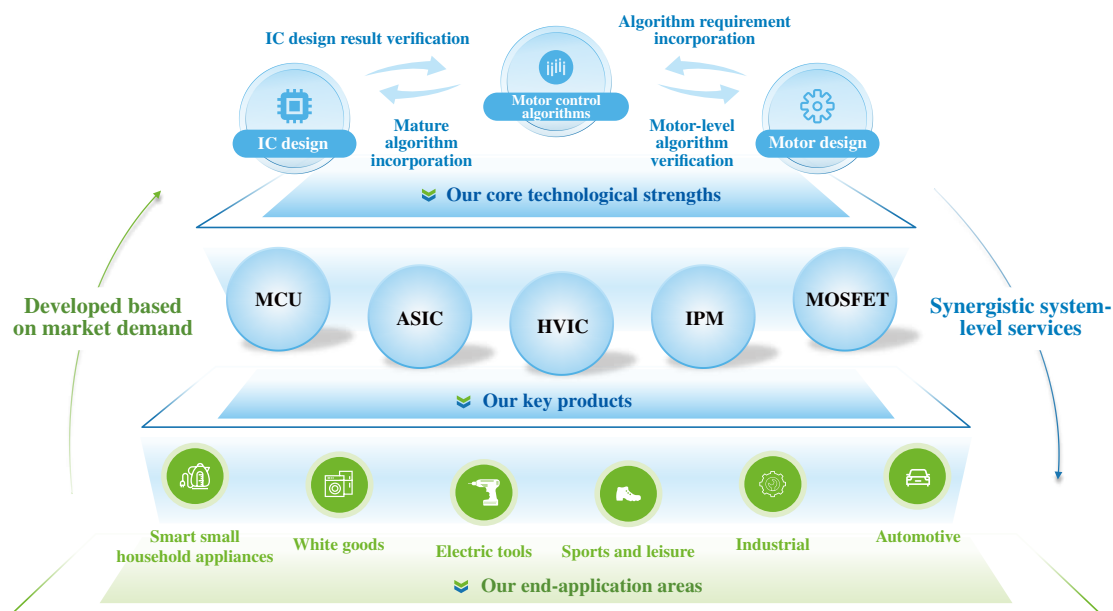
I. BUSINESS OVERVIEW

Principal Business Analysis

During the six months ended June 30, 2025 (the “Reporting Period”), the principal business of Fortior Technology (Shenzhen) Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group” or “we”)

The Group is an IC design company dedicated to the design and R&D of BLDC motor control ICs and has established a strong market position within the BLDC motor control and driver chip industry. A BLDC motor is a type of brushless motor driven by electronic commutation, which changes the electromagnetic fields to drive the rotor of the motor. According to Frost & Sullivan, compared with traditional motors, BLDC motors offer advantages such as high efficiency, low power consumption, high control precision and low noise, and are widely used in various applications. Our products are designed to help BLDC motors maximize their performance advantages and achieve highly efficient, low-noise, and high-precision operation, including (i) motor control chips such as MCUs and ASICs, (ii) motor driver chips such as HVICs, (iii) IPMs, and (iv) power devices such as MOSFETs.

The following diagram sets forth our business model:



- We are the first Chinese IC design company that focuses on the design of BLDC motor control ICs; and
- We are the only Chinese company among the top ten companies in the same market.

Management Discussion and Analysis

Our main products include MCUs/ASICs, HVICs, MOSFETs, and IPMs, which are the key components of a typical BLDC motor control system. Among them, our MCUs/ASICs, as the motor control chips, receive electrical signals, execute motor control algorithms and generate precise control instructions; Our HVICs serve as driver chips to provide high and low voltage isolation and amplify driving capacity, allowing MCUs/ASICs to drive MOSFETs; Based on the control instructions from the MCUs/ASICs, the MOSFETs, driven by the HVICs, generate specific electromagnetic fields, which drive the rotation of the motor, allowing the BLDC motor to operate efficiently.

During the Reporting Period, the revenue breakdown by business type for the Group was as follows: MCU accounted for 60.9%, ASIC accounted for 17.8%, HVIC accounted for 11.5%, MOSFET accounted for 0.3%, IPM accounted for 9.4%, and other revenue accounted for 0.1%.

Our products are used in BLDC motors that have been widely used in multiple downstream applications, including smart small household appliances, white household appliances, electric tools, sports and leisure, industrial, and automotive applications. Leveraging our solid R&D capabilities, reliable product quality and cost-efficiency advantages, we have accumulated a broad base of high-quality end customers.

Analysis of the Core Competitiveness/Strengths of the Group

Our R&D efforts focus on three core technological fields, namely (i) IC design, (ii) motor control algorithms, and (iii) motor technology, and we have achieved several competitive technologies in these fields. The combination of our technologies in these three fields forms the foundation of our core competitiveness in the BLDC motor control and driver chip industry.

Our comprehensive achievement of technologies in the three core technological fields include:

IC design	Motor control algorithms	Motor technology
❑ ME core (our proprietary motor control processor core) ❑ Hardware-based algorithm technology ❑ Functional integration ability in chip products	❑ Sensorless FOC algorithms ❑ Sensorless high-torque motor startup	❑ High torque density ❑ Three-phase low-speed motors ❑ Ultra-thin motors

The synergies among our IC design, motor control algorithms, and motor technology allow us to deliver high-quality products that satisfy our end customers' diverse application needs. Guided by the needs of end-use applications and leveraging our deep understanding of motor technology, we translate the specific requirements of end customers for their motors into effective motor control algorithms, which are then implemented through hardware logic circuits at the IC design level.

Management Discussion and Analysis

In terms of IC design:

- We have developed our proprietary ME core and hardware-based motor control algorithms. Additionally, we have successfully developed chip products that integrate other functions. According to Frost & Sullivan, to enhance the reliability and control performance of motor control ICs while reducing the size of motor control systems to accommodate the miniaturization and customization trends in BLDC motors, the industry trend is gradually towards products with greater levels of functional integration. We have achieved a comprehensive product line layout across varying levels of integration, ranging from integrated op-amps and LDOs to integrated HVICs and MOSFETs.

In terms of motor control algorithms:

- We have successfully developed sensorless FOC algorithms, positioning ourselves at the forefront of the R&D of this mainstream control algorithm field. According to Frost & Sullivan, sensorless FOC algorithms can best achieve objectives such as high efficiency, low vibration, low noise and quick response, making it the mainstream trend in BLDC motor control technology for applications such as white household appliances, smart small household appliances and industrial automation. Our proprietary ME core implements the FOC algorithm through hardware-based algorithms, which is able to complete one round of FOC computation in 6 to 7 microseconds, which is faster than the time required for software-based algorithms and offers faster calculation execution speed. Our sensorless FOC control solution supports the electric cycle up to 270 thousand RPM, higher than the maximum speed achievable with software-based algorithms.
- We have carried out forward-looking R&D planning for the current mainstream sensorless algorithms and FOC algorithms and have developed tailored motor control algorithms for various downstream applications. For instance, we have developed sensorless FOC algorithms for smart small household appliances and sensorless high-torque motor startup algorithms for electric tools. These innovations allow our end customers to address industry challenges such as sensorless high-torque motor startup, silent motor operation and ultra-high speed motor rotation. By doing so, we help expand the application of high-performance motors across more diverse uses.

In terms of motor technology:

- With a deep understanding of motor electromagnetic principles, we are able to propose specific motor control methods tailored to the characteristics of our end customers' motors. We are also able to optimize the electromagnetic structure of the motor product in a cost-effective manner to achieve the optimal motor system performance.

Management Discussion and Analysis

Highly reliable products with efficient upgrades, broad application versatility and large-scale commercialization capabilities

Our motor control ICs deliver computational power and control performance with high reliability. Our product portfolio comprehensively covers household, industrial and automotive-grade applications and is widely used in downstream sectors such as smart small household appliances, white household appliances, electric tools, sports and leisure, industrial and automotive applications. In 2023, we received ISO 26262 functional safety management system certification, marking it a significant milestone in the development of our automotive-grade chips. Our ability to provide system-level services to end customers allows us to quickly identify and respond to changes in downstream market demand and to address specific issues encountered during the application of our products and swiftly respond to these changes and issues by upgrading our products and innovating our technologies.

We have established a comprehensive mechanism for collecting end-customer needs and integrating them into our product development processes. By conducting regular visits to end customers, participating in their product development and organizing technical exchange seminars, we gain deep insight into end customer needs. This feedback is then promptly communicated to our R&D team so that we can continuously optimize and improve our products. Additionally, we have established efficient product development processes, enhancing our responsiveness to end-customer requirements.

With our outstanding product quality, quick responsiveness to end customer needs, innovative motor control algorithms and technical services that address system-level challenges, the application of our IC products has expanded from consumer electronics into industrial and automotive applications, earning wide recognition from end customers, which demonstrates the broad application versatility of our products:

- **Smart Small Household Appliances and White Household Appliances:** Our IC products are widely applied in smart small household appliances such as robotic vacuum cleaners, hair dryers, vacuum cleaners and fans, as well as white household appliances such as air conditioners, washing machines and refrigerators;
- **Sports and Leisure:** Our IC products are widely applied in outdoor transportations such as electric scooters and self-balancing scooters, as well as products for exercise, such as treadmills, or products such as drones;
- **Industrial:** Our IC products are widely applied in applications such as server cooling, inverters and industrial servo systems; and
- **Automotive:** Our IC products are widely applied in automotive motor control systems, including active grille shutters, seat ventilation, water pumps, oil pumps, water valves, electronic valves and electronic fans.

Management Discussion and Analysis

FUTURE PROSPECTS

Our strategic development goal is to become a leading global supplier of motor control chips and control systems. We adhere to a path of independent innovation in R&D, focusing on the development of motor control chips and control systems. We are committed to providing global end customers with high-performance motor control chips and comprehensive system-level services. We will develop our strategy around this strategic goal, advancing its realization through technological R&D, downstream application areas, overseas market expansion, and talent cultivation.

(I) Continuous investment in R&D to consolidate and strengthen technological advantages

We regard technology R&D as a critical strategic initiative for corporate growth, adhering to a path of independent innovation in R&D. We intend to continue our in-depth exploration in motor control IC design, motor control algorithms and motor technology. We aim to focus on the new demands and changes in applications such as smart small household appliances, white household appliances, automotive, robots and sensors, and conduct independent R&D. In the future, we plan to continuously build our R&D team and invest in R&D activities to consolidate and enhance our technological advantages. We strive to achieve high-performance products through innovative technologies and drive the penetration of our products in downstream applications.

(II) Consolidating our advantages in consumer applications and collaborating with our business partners to seize opportunities in the industry

We will continue our development in consumer markets such as smart small household appliances and white household appliances, deepening our strategic partnerships with top-tier brand end customers. Together with our peers and amid opportunities and challenges of the motor control IC industry, we aim to consolidate and enhance the competitiveness of our IC products in consumer applications. According to Frost & Sullivan, with the development of artificial intelligence and automation technologies, the application sectors we have deeply cultivated, such as smart small household appliances and white household appliances, are expected to have broad prospects. The white household appliances sector, for instance, is characterized by high entry barriers, long verification cycles and high reliability requirements for motor control ICs. We have many years of experience and strategic planning in the white household appliances sector. We have accumulated a high-quality end customer base consisting of leading brands and have achieved mass production of our products in the white goods sector. As we continue to grow our business in consumer applications, we expect it to continue driving our business and revenue growth.

Management Discussion and Analysis

(III) Strategic deployment in emerging applications such as industrial, automotive and robotics sectors

In light of the trend of the fourth industrial revolution, technologies driven by intelligence and automation are rapidly developing and interacting with each other. In emerging applications such as industrial, automotive and robotics sectors, downstream industries require motors to achieve more efficient control and silent operation. In the past few years, we have carried out R&D and strategic deployments around these emerging applications:

- **IC design:** We have accumulated a rich portfolio of core technologies for industrial and automotive-grade high-power motor control ICs, and have conducted the development of automotive-grade motor control ICs, and high-precision sensors, among others;
- **Motor control algorithms:** We have maintained a first-mover advantage in the mainstream sensorless control algorithms, including FOC, servo control, and other control algorithms tailored for industrial applications; and
- **Motor design:** We have conducted research on motor design in relation to industrial control, robotics and other fields, accumulating extensive R&D results.

Our R&D accumulation has laid a solid foundation for us to further expand into applications with higher powers and higher reliability requirements. Based on our advantages in the above fields, we intend to comprehensively deploy in emerging downstream applications such as industrial, automotive and robotics on the basis of our existing R&D planning. We aim to stay at the forefront of industry with our technological advantages, seize new market opportunities brought about by the development of emerging industries and continue to explore new revenue growth opportunities.

(IV) Expanding overseas markets, promoting products globally and developing our business with an international perspective

Expanding our overseas markets is essential to our strategic goal. After more than a decade of experience and accumulation in technology, products, end customer base and commercialization, we believe that our strengths in technologies and products allow us to compete globally. We intend to continue advancing our overseas market expansion, broadening overseas sales channels, developing overseas business partners, building leading overseas R&D teams, responding promptly to overseas market demands, promoting the application of our products and technologies in overseas markets and providing high-quality IC products to global end customers.

The rapid development of the semiconductor industry and artificial intelligence technology has brought opportunities for resource integration, technological interaction and collaborative development in the industry. We aim to fully leverage our technological advantages, foster synergies with industry peers and upstream and downstream partners, to seize opportunities in the global industry. With an international perspective in mind, we strive to comprehensively and strategically expand our products, technologies, markets and end customer base, and become an industry leader through technology development and upstream and downstream collaboration in the industry. We intend to closely monitor potential strategic investment and acquisition opportunities in overseas markets and actively and prudently pursue acquisitions of potential targets.

Management Discussion and Analysis

(V) Attracting top global talent and continuously building talent teams

We attach great importance to building our talent team. We adhere to the values of “simplicity, openness, trust and pioneering”. We are committed to achieving the mutual growth and development of our Company and its employees. We plan to continue attracting global talent through attractive incentive mechanisms, an open corporate culture, and a vigorous working environment. We intend to continuously improve our R&D personnel training system, and refresh our R&D team through social and campus recruitment. We aim to build an open and dynamic talent cultivation framework that supports clear and accessible career progression. We intend to further strengthen our multi-level R&D talent team. By fostering effective communication and collaboration within our team, we strive to create a vibrant, knowledge-driven organization that unlocks team potential and drives innovation.

II. FINANCIAL REVIEW

Revenue

For the six months ended June 30, 2025, the Group achieved revenue of RMB375.0 million (corresponding period in 2024: RMB282.3 million), representing an increase of 32.8% compared to the corresponding period last year.

The revenue of the Group is derived from the following products: (i) MCU; (ii) ASIC; (iii) HVIC; (iv) MOSFET; (iv) IPM; and (vi) others.

	Six months ended June 30,					
	2025		2024		Change	
	Amount (RMB'000)	(%)	Amount (RMB'000)	(%)	Amount (RMB'000)	Percentage (%)
Revenue						
MCU	228,095	60.9	174,338	61.7	53,757	30.8
ASIC	66,878	17.8	42,749	15.1	24,129	56.4
HVIC	43,210	11.5	42,279	15.0	931	2.2
MOSFET	1,202	0.3	1,005	0.4	197	19.6
IPM	35,282	9.4	21,427	7.6	13,855	64.7
Others	373	0.1	526	0.2	-153	-29.1
Total revenue	375,040	100.0	282,324	100.0	92,716	32.8

Management Discussion and Analysis

MCU

During the Reporting Period, revenue from MCU products increased from RMB174.3 million in the corresponding period in 2024 to RMB228.1 million, representing an increase of 30.8%, accounting for approximately 60.9% of total revenue (for the six months ended June 30, 2024: 61.7%).

The increase in MCU product revenue was primarily due to an increase in our sales volume of MCU as a result of increased market demand from industrial, smart small household appliances, white household appliances and automotive sectors.

ASIC

During the Reporting Period, revenue from ASIC products increased from RMB42.7 million in the corresponding period in 2024 to RMB66.9 million, representing an increase of 56.4%, accounting for approximately 17.8% of total revenue (for the six months ended June 30, 2024: 15.1%).

The increase in ASIC product revenue was primarily due to increased market demand from smart small household appliances and automotive sectors, resulting in an increase in sales volume.

HVIC

During the Reporting Period, revenue from HVIC products increased from RMB42.3 million in the corresponding period in 2024 to RMB43.2 million, representing an increase of 2.2%, accounting for approximately 11.5% of total revenue (for the six months ended June 30, 2024: 15.0%).

The increase in HVIC product revenue was primarily due to an increase in our sales volume of HVIC from 74.7 million units in the first half of 2024 to 81.6 million units in the first half of 2025 as a result of increased market demand of our HVIC products in applications such as sports and leisure and white household appliances, which drove our HVIC sales volumes.

MOSFET

During the Reporting Period, revenue from MOSFET products increased from RMB1.0 million in the corresponding period in 2024 to RMB1.2 million, representing an increase of 19.6%, accounting for approximately 0.3% of total revenue (for the six months ended June 30, 2024: 0.4%).

IPM

During the Reporting Period, revenue from IPM products increased from RMB21.4 million in the corresponding period in 2024 to RMB35.3 million, representing an increase of 64.7%, accounting for approximately 9.4% of total revenue (for the six months ended June 30, 2024: 7.6%).

The increase in IPM product revenue was primarily due to the increase in sales of IPM products with motor control function for white household appliances, which typically have higher sales unit price.

Management Discussion and Analysis

After years of R&D effort and technical accumulation in the field of motor drive control, the Company has developed and launched sensor products, expanding its product range and empowering downstream customers continuously. With the launch and market introduction of the Company's sensor products, it is expected to drive the future growth curve of the Company.

During the Reporting Period, the Company's products achieved a sales contribution of 53.9% in its existing business segments, including smart small household appliances, electric tools and sports and leisure. Leveraging long-term industry experience and deepened cooperation with major customers, sales revenue and contribution from the white household appliances segment continued to grow, with its proportion increased to 20.9% for the Reporting Period.

During the Reporting Period, benefiting from the steady and increasing demand for server cooling driven by data centre computing power requirements, as well as the Company's continuous R&D investment in the industrial sector, the Company's products also achieved rapid growth in industrial applications. The Company carried out forward-looking R&D planning in the field of industrial servo systems during the period, with revenue from the industrial sector accounting for 14.3% of total sales revenue. The Company will continue to optimise the hardware path of motor drive architecture algorithms, upgrade its algorithm framework, and leverage its in-depth understanding of motor technologies. It will also actively engage in technical exchanges with downstream customers and Tier-1 manufacturers to promote the mass production and application of its industrial servo products in areas such as industrial servo systems and robotics.

Brushless DC motors (BLDC) are rapidly penetrating core automotive system with its high reliability, excellent energy efficiency and compact structure. Amidst the automotive electrification transition, BLDC motors can meet the stringent requirements of automotive system for long lifespan and low energy consumption. The Company's automotive-grade BLDC drive control chip products have undergone long-term R&D, and have passed AEC-Q100 automotive certification and ISO 26262 functional safety management system certification. The proportion of automotive-grade chips to operating revenue has increased to 10.12%, representing a rapid growth rate. Meanwhile, ISO 26262 functional safety management product certification for automotive-grade chips is ongoing. In the future, the Company will utilize system-level technology to expand its customer base to additional automotive companies and Tier 1 manufacturers, support the further mass production of chip products in the automotive electronics field, and continuously broaden and deepen the application fields of automotive electronics.

Management Discussion and Analysis

Cost of sales

The cost of sales of the Group primarily includes (i) cost of wafers; (ii) cost of packaging and testing; (iii) other cost of sales, mainly including costs in relation to the cost of sales of other products such as semiconductor DEMO boards and analog devices; and (iv) inventory impairment losses.

During the Reporting Period, the cost of sales of the Group was RMB180.4 million (corresponding period in 2024: RMB133.9 million), representing an increase of 34.7% compared to the corresponding period in 2024. This increase was primarily due to the increase in cost of sales brought by the increase in sales revenue.

Gross profit and gross profit margin

During the Reporting Period, the gross profit of the Group was RMB194.6 million, representing an increase of 31.1% from RMB148.4 million in the corresponding period in 2024. The increase in sales revenue has resulted in the growth in gross profit. The gross profit margin decreased slightly from 52.6% in the corresponding period in 2024 to 51.9% in the Reporting Period, but remained at a healthy level.

Management Discussion and Analysis

Other revenue and income

The other revenue and income of the Group primarily consist of interest income, investment income from financial assets at fair value through profit or loss and government grants, fair value gain on financial assets at fair value through profit or loss, and others.

During the Reporting Period, other income amounted to RMB39.2 million (corresponding period in 2024: RMB38.7 million), representing an increase of 1.2% compared to the corresponding period last year, basically staying flat.

Research and development costs

The research and development costs of the Group primarily consist of (i) employee compensation, which primarily include the salaries, bonus and welfare paid to our R&D staff; (ii) cost of R&D materials; (iii) lease property expenses related to our R&D activities; (iv) share-based payments; (v) technical service fees related to our R&D activities; (vi) depreciation and amortization related to our R&D infrastructure; and (vii) others, mainly including travelling expenses and office expenses.

During the Reporting Period, R&D costs amounted to RMB70.7 million (corresponding period in 2024: RMB40.2 million), representing an increase of 75.9% compared to the corresponding period last year, primarily due to: (i) the increase in share-based payments; (ii) the increase in employee compensation paid to our R&D personnel, primarily attributable to the rising R&D staff headcount and salaries; (iii) the increase in depreciation and amortization; and (iv) the increase in technical service fees.

As of the end of the Reporting Period, the Company had obtained a total of 127 patents at home and abroad, including 74 invention patents. These abundant innovation achievements continue to empower and support the Company's sustainable high-quality development.

Management Discussion and Analysis

Selling and distribution expenses

During the Reporting Period, selling and distribution expenses amounted to RMB17.0 million (corresponding period in 2024: RMB8.3 million), representing an increase of 104.6% compared to the corresponding period last year. The selling and distribution expenses of the Group primarily consist of (i) employee compensation; (ii) promotion and advertising expenses; (iii) share-based payments; (iv) leased property expenses; (v) travelling and office expenses; (vi) exhibition fees; and (vii) others. The increase in selling and distribution expenses was primarily due to (i) the increase in share-based payments, and (ii) the increase in employee compensation primarily attributable to the increasing sales and marketing personnel salaries and headcounts.

Administrative expenses

During the Reporting Period, administrative expenses amounted to RMB21.9 million (corresponding period in 2024: RMB13.2 million), representing an increase of 66.4% compared to the corresponding period last year. The administrative expenses of the Group mainly consist of (i) employee compensation; (ii) professional service fees; (iii) tax and surcharges; (iv) depreciation and amortization; (v) share-based payments; (vi) leased property expenses; (vii) office expenses; and (viii) others. The increase in administrative expenses was primarily due to (i) the increase in share-based payments; (ii) increase in depreciation and amortization; (iii) increase in tax and surcharges; and (iv) increase in expenses in relation to the Listing (defined below).

Sharing of losses of associates

During the Reporting Period, the share of loss from associates amounted to RMB2,000 (corresponding period in 2024: Nil).

Impairment losses on financial assets, net

During the Reporting Period, impairment losses on accounts receivable amounted to RMB0.2 million (corresponding period in 2024: RMB0.1 million), primarily due to an increase in trade receivables during the Reporting Period.

Other expenses

During the Reporting Period, other expenses amounted to RMB1.8 million (corresponding period in 2024: RMB0.9 million), primarily due to foreign exchange losses.

Income tax expense

During the Reporting Period, income tax expense amounted to RMB5.3 million (corresponding period in 2024: RMB2.1 million), representing an increase of 154.3% compared to the corresponding period last year, which is primarily due to the transition of the corporate income tax rate of the parent company from a tax-exempt period to a 10% preferential tax rate period.

Management Discussion and Analysis

Profit for the period

During the Reporting Period, the net profit of the Group was RMB116.5 million (corresponding period in 2024: RMB122.0 million), representing a decrease of 4.5% compared to the corresponding period last year.

During the Reporting Period, the profit attributable to shareholders of the Company (the “**Shareholders**”) was RMB116.5 million (corresponding period in 2024: RMB122.0 million), representing a decrease of 4.5% compared to the corresponding period last year, which is primarily due to the implementation of the 2024 restricted share incentive plan by the Company in November 2024. The share-based payments accrued during the Reporting Period increased by approximately RMB32.0 million year-on-year. Excluding the impact of such factor, the profit attributable to the Shareholders increased by 18.7% year-on-year.

Property, plant, and equipment

The property, plant, and equipment of the Group primarily consist of buildings, machine equipment, electronic equipment, furniture and fixtures, and leasehold improvements. As at June 30, 2025, the net property, plant, and equipment of the Group amounted to RMB149.6 million, representing an increase of RMB2.0 million from RMB147.6 million as at December 31, 2024, primarily due to the acquisition of new machine equipment and electronic equipment during the Reporting Period.

Intangible assets

The intangible assets of the Group primarily consist of software and IP license. As at June 30, 2025, the intangible assets of the Group amounted to RMB10.2 million, representing an increase of RMB1.1 million from RMB9.1 million as at December 31, 2024, primarily due to the increase in software resulting from the purchase of EDA software.

Trade payables and bills payables

The trade and bills payables of the Group primarily consist of payments due to our suppliers for wafer manufacturing and chip packaging and testing. Our trade and bills payables are non-interest-bearing.

As at June 30, 2025, the trade payables and bills payables of the Group amounted to approximately RMB42.3 million, representing an increase of approximately RMB35.0 million from approximately RMB7.3 million as at December 31, 2024, which is primarily due to (i) the increased wafer procurements by us in anticipation of increased sales; and (ii) increase in bills payables, primarily due to our increased use of bill payments for certain chip packaging and testing suppliers.

Lease liabilities

The lease liabilities of the Group decreased from RMB16.1 million as of December 31, 2024 to RMB14.6 million as of June 30, 2025, primarily due to the payment of rent.

Management Discussion and Analysis

Contract liabilities

Contract liabilities primarily represents payment in advance from our customers based on sales order, before delivery of products under the contracts by the Group. As at June 30, 2025, the contract liabilities of the Group amounted to approximately RMB1.7 million, representing an increase of approximately RMB0.4 million from RMB1.3 million as at December 31, 2024.

Borrowing

As at June 30, 2025, the Group had no bank or other borrowings (as at December 31, 2024: the Group had no bank or other borrowings). As such, gearing ratio is not applicable to the Group.

Debt-to-asset ratio

The debt-to-asset ratio is calculated by dividing the total liabilities on the same date by the total assets on the same date. As at June 30, 2025, the debt-to-asset ratio of the Group was 3.8% (the debt-to-asset ratio as at December 31, 2024 was 3.6%).

Asset pledge

As of June 30, 2025, the Group did not have any mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities.

CONTINGENT LIABILITIES

As of June 30, 2025, the Group did not have any material contingent liabilities.

Management Discussion and Analysis

LIQUIDITY, RESERVES, AND CAPITAL STRUCTURE

The Group maintained a sound financial position during the Reporting Period. As at June 30, 2025, the cash and cash equivalents of the Group amounted to RMB130.8 million, representing a decrease of 56.0% from RMB297.4 million as at December 31, 2024, which is primarily due to an increase in purchase of debt investment at fair value through other comprehensive income and financial assets at fair value through profit or loss. The use of cash of the Group was primarily related to operating activities and investing activities, and the Group makes decisions to invest in these investment products such as negotiable certificates of deposit, structured deposits and, to a lesser extent, wealth management products, selectively, on the basis that the Group has remaining liquidity and seeks incremental yield enhancement and subject to compliance with the applicable listing rules. These products are chosen primarily when they are at low risk, issued by highly reputable institutions with strong internal controls, and provide clear explanation of underlying asset classes and risk profiles. The Board carefully evaluates the liquidity, transparency, and creditworthiness of the issuing institutions before investing.

As at June 30, 2025, the total equity of the Group amounted to RMB2,638.5 million, representing an increase of RMB85.6 million from RMB2,552.9 million as at December 31, 2024, or an increase of 3.4%, which is primarily due to (i) increase in retained profits of RMB44.6 million attributable to our profit for the period of RMB116.5 million, partially offset by the dividends declared of RMB71.9 million in 2025; and (ii) increase in share option reserve of RMB41.1 million.

EXCHANGE RATE RISK

The principal sales business of the Group is conducted in China, and our business is primarily denominated in Renminbi and is gradually expanding into overseas markets. Some procurement business is conducted overseas, with prices and settlements primarily denominated in US dollars.

In response to potential risks, the Group has established the Foreign Exchange Hedging Management System to mitigate and prevent exchange rate risks. The Board has set an annual cap on the size of foreign exchange hedging business (refer to the circular of the Company dated August 19, 2025) and proposed to the general meeting of the Company to authorize the Board, and approve the Board's authorization to the Company's management in reviewing daily foreign exchange hedging business plans and executing relevant contracts. At the general meeting convened on September 10, 2025, the relevant resolution in respect of the proposed implementation of foreign exchange hedging limit has been approved by the Shareholders. The Group will closely monitor our foreign exchange exposure and, when necessary, use appropriate financial instruments to mitigate foreign exchange risks for hedging purposes.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to protect the interests of Shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its governance code.

Since the listing (the “**Listing**”) of the H shares of the Company (the “**H Shares**”, and together with the A shares of the Company (the “**A Shares**”) are collectively referred to as the “**Shares**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on July 9, 2025 (the “**Listing Date**”), the Company has complied with all applicable provisions set out in Part 2 of the CG Code, except for the following deviation.

Pursuant to Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from this provision because Mr. Bi Lei, performs both the roles of the chairman of our Board and chief executive officer of the Company. The Board believes that, in view of Mr. Bi Lei’s experience, personal profile and understanding of the Group’s business operations, Mr. Bi Lei is the Director best suited to identify strategic opportunities and focus of the Board. Vesting the roles of both chairman and chief executive officer to Mr. Bi Lei can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and independent non-executive Directors. The Board will reassess the division of the roles of chairman and the chief executive officer from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As the Company was not listed on the Stock Exchange as at June 30, 2025, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (the “SFO”) and section 352 of the SFO were not applicable to the Directors or chief executive of the Company as at June 30, 2025.

As of the date of this report, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he was taken or deemed to have under such provisions of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Long position in Shares and underlying Shares of the Company

Name of Director	Position in the Company	Nature of interest	Number and class of Shares held	Approximate percentage of interest in the relevant class of Shares ⁽¹⁾	Approximate percentage of interest in the total issued share capital ⁽¹⁾
Mr. Bi Lei ⁽³⁾⁽⁴⁾⁽⁶⁾⁽⁷⁾	Executive Director, chairman of the Board, general manager and chief executive officer	Beneficial owner	60,000 A Shares	0.06%	0.05%
		Interest of controlled corporation	35,154,431 A Shares	38.06%	30.86%
		Interest of spouse	1,350,716 A Shares	1.46%	1.19%
		Interests held jointly with another person	20,000 A Shares	0.02%	0.02%
			36,585,147 A Shares	39.61%	32.11%
Dr. Bi Chao ⁽⁵⁾⁽⁷⁾	Executive Director and chief technology officer	Beneficial owner	20,000 A Shares	0.02%	0.02%
		Interests held jointly with another person	36,565,147 A Shares	39.59%	32.10%
			36,585,147 A Shares	39.61%	32.11%
Ms. Wang Yuhong ⁽⁶⁾	Supervisor (retired on September 10, 2025)	Interest of controlled corporation	2,554,207 A Shares	2.77%	2.24%

Corporate Governance and Other Information

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 92,363,380 A Shares (inclusive of 193,000 treasury A Shares) and 21,556,000 H Shares in issue as at the date of this report.
- (3) As at the date of this report, Fortior Technology (HK) Company Limited (峰昭科技 (香港) 有限公司) (“**Fortior HK**”) was held as to 35.25% by Mr. Bi Lei. By virtue of the SFO, Mr. Bi Lei is deemed to be interested in those Shares held by Fortior HK. For details of interests of Fortior HK in the Company, please refer to the paragraphs headed “Substantial Shareholders” in this section.
- (4) As at the date of this report, Mr. Bi Lei was interested in 60,000 restricted Shares granted to him under the 2024 Restricted Share Incentive Plan entitling him to receive 60,000 A Shares subject to vesting.
- (5) As at the date of this report, Dr. Bi Chao was interested in 20,000 restricted Shares granted to him under the 2024 Restricted Share Incentive Plan entitling him to receive 20,000 A Shares subject to vesting.
- (6) Mr. Bi Lei and Ms. Gao Shuai are spouses. By virtue of the SFO, Mr. Bi Lei is deemed to be interested in those Shares held by Ms. Gao Shuai. For details of interests of Ms. Gao Shuai in the Company, please refer to the paragraphs headed “Substantial Shareholders” in this section.
- (7) Mr. Bi Lei, Dr. Bi Chao and Ms. Gao Shuai have entered into the acting-in-concert agreement dated March 17, 2021, as renewed on January 10, 2025 to extend its term to April 19, 2028 (the “**Acting-in-Concert Agreement**”). By virtue of the SFO, they are deemed to be interested in those Shares and underlying Shares held by each other.
- (8) As at the date of this report, Shenzhen Xinqi Investment Enterprise (Limited Partnership) (深圳市芯齊投資企業 (有限合夥)) (“**Xinqi Investment**”) and Shenzhen Xinsheng Investment Enterprise (Limited Partnership) (深圳市芯晟投資企業 (有限合夥)) (“**Xinsheng Investment**”) held 2,404,966 and 149,241 A Shares in the Company, respectively. Ms. Wang Yuhong is the general partner of Xinqi Investment and Xinsheng Investment. By virtue of the SFO, Ms. Wang Yuhong is deemed to be interested in those Shares held by Xinqi Investment and Xinsheng Investment.

Save as disclosed above, as of the date of this report, so far as is known to any Director or chief executive of the Company, none of the Directors nor chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange. The supervisory committee of the Company has been abolished on September 10, 2025.

Corporate Governance and Other Information

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

As the Company was not listed on the Stock Exchange as at June 30, 2025, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the substantial shareholders of the Company as at June 30, 2025.

As of the date of this report, the following persons (other than the Directors and chief executive of the Company whose interests have been disclosed in this report), who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Capacity/Nature of interest	Number and class of Shares ⁽¹⁾	Approximate percentage of interest in the relevant class of Shares ⁽¹⁾	Approximate percentage of interest in the total issued share capital of the Company ⁽¹⁾
Fortior HK ⁽³⁾⁽⁸⁾	Beneficial owner	35,154,431 A Shares	38.06%	30.86%
Ms. Gao Shuai ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁸⁾	Interest of controlled corporation	1,350,716 A Shares	1.46%	1.19%
	Interest of spouse	35,214,431 A Shares	38.13%	30.91%
	Interest held jointly with another person	20,000 A Shares	0.02%	0.02%
Shanghai Huaxin Venture Capital Partnership (Limited Partnership) ⁽⁷⁾	Beneficial owner	11,180,273 A Shares	12.10%	9.81%
Moselle Limited ⁽⁷⁾	Interest of controlled corporation	11,180,273 A Shares	12.10%	9.81%
Temasek Holdings (Private) Limited ⁽⁹⁾	Interest of controlled corporation	1,762,200 H Shares	8.17%	1.55%
Seletar Investments Pte. Ltd. ⁽⁹⁾	Interest of controlled corporation	1,762,200 H Shares	8.17%	1.55%
Aranda Investments Pte. Ltd. ⁽⁹⁾	Beneficial owner	1,762,200 H Shares	8.17%	1.55%

Corporate Governance and Other Information

Name of Shareholder	Capacity/Nature of interest	Number and class of Shares ⁽¹⁾	Approximate percentage of interest in the relevant class of Shares ⁽¹⁾	Approximate percentage of interest in the total issued share capital of the Company ⁽¹⁾
Taikang Insurance Group, Inc. ⁽¹⁰⁾	Interest of controlled corporation	1,650,000 H Shares	7.65%	1.45%
Taikang Asset Management (Hong Kong) Company Limited ⁽¹⁰⁾	Investment manager	1,650,000 H Shares	7.65%	1.45%
Taikang Asset Management Company Limited ⁽¹⁰⁾	Interest of controlled corporation	1,650,000 H Shares	7.65%	1.45%
HSBC Global Asset Management (Hong Kong) Limited	Investment manager	1,465,487 H Shares	6.80%	1.29%
HHLR Advisors, Ltd.	Investment manager	1,107,500 H Shares	5.14%	0.97%
TF-B, L.P.	Beneficial owner	1,107,500 H Shares	5.14%	0.97%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 92,363,380 A Shares (inclusive of 193,000 treasury A Shares) and 21,556,000 H Shares in issue as of the date of this report.
- (3) As at the date of this report, Fortior HK was held as to 35.25% by Mr. Bi Lei. By virtue of the SFO, Mr. Bi Lei is deemed to be interested in the Shares held by Fortior HK.
- (4) As at the date of this report, Xinyun Technology (Shenzhen) Co., Ltd. (芯運科技 (深圳) 有限公司) ("Xinyun Technology") was interested in 1,350,716 A Shares of the Company and was wholly owned by Ms. Gao Shuai. By virtue of the SFO, Ms. Gao Shuai is deemed to be interested in the Shares held by Xinyun Technology.
- (5) Mr. Bi Lei and Ms. Gao Shuai are spouses. By virtue of the SFO, they are deemed to be interested in the Shares and underlying Shares held by each other.
- (6) Mr. Bi Lei, Dr. Bi Chao and Ms. Gao Shuai have entered into the Acting-in-Concert Agreement. By virtue of the SFO, they are deemed to be interested in the Shares and underlying Shares held by each other.

Corporate Governance and Other Information

- (7) As at the date of this report, the general partner of Shanghai Huaxin Venture Capital Partnership (Limited Partnership) (上海華芯創業投資合夥企業 (有限合夥)) (“**Shanghai Huaxin**”) was Moselle Limited. By virtue of the SFO, Moselle Limited is deemed to be interested in the Shares held by Shanghai Huaxin.
- (8) By virtue of the SFO, since Mr. Bi Lei, Dr. Bi Chao, Ms. Gao Shuai and Fortior HK controlled one-third or more of the voting power at general meetings of the Company as at the date of this report, they may be deemed to be interested in the 193,000 treasury Shares held by the Company as at the date of this report.
- (9) Temasek Holdings (Private) Limited is deemed to be interested in the 1,762,200 H Shares held by Aranda Investments Pte. Ltd., which is wholly-owned by Seletar Investments Pte. Ltd., an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited.
- (10) Taikang Insurance Group, Inc. is deemed to be interested in the 1,650,000 H Shares held by Taikang Asset Management (Hong Kong) Company Limited, which is wholly-owned by Taikang Asset Management Company Limited, an indirect wholly-owned subsidiary of Taikang Insurance Group, Inc..

Save as disclosed above, as of the date of this report, the Company has not been notified by any person, other than the Directors and chief executive whose interests are set out in the above section headed “Directors’ and Chief Executive’s Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations” who had any interest or short position in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would fall to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all Directors, each Director has confirmed that he or she has complied with the required standards set out in the Model Code from the Listing Date to the date of this report, and the Company is not aware of any incident of non-compliance by the Directors.

H SHARES LISTING AND THE USE OF PROCEEDS FROM THE LISTING

The H Shares of the Company were listed on the Main Board of the Stock Exchange on July 9, 2025 and 18,744,400 H Shares were issued. Following the full exercise of the over-allotment option on July 24, 2025, the number of H Shares issued and listed increased from 18,744,400 to 21,556,000. After deducting underwriting fees and related expenses, the total net proceeds from the listing (the “**Net Proceeds**”) amounted to approximately HK\$2,462.6 million. As of the date of this report, there have been no changes to the intended use of the Net Proceeds as previously disclosed in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated June 30, 2025 (the “**Prospectus**”) and the announcements of the Company dated July 8 and 24, 2025.

Corporate Governance and Other Information

	Planned use of Net Proceeds in the same manner and proportion as stated in the Prospectus Approximate (HK\$ million)	Percentage of the total Net Proceeds raised from the Listing Approximate	Actual use of Net Proceeds during the period from the Listing Date to the date of this report Approximate (HK\$ million)	Net Proceeds unutilized as at the date of this report balance Approximate (HK\$ million)	Expected timeline of full utilization ⁽¹⁾
Enhancing our R&D and innovation capabilities	837.3	34%	–	837.3	At the end of 2030 or before
Further enriching our product portfolio and expanding downstream application	246.3	10%	–	246.3	At the end of 2030 or before
Expanding our overseas sales network and promoting our products in overseas markets	394.0	16%	–	394.0	At the end of 2030 or before
Strategic investments and/or acquisition to achieve our long-term growth strategies	738.8	30%	–	738.8	At the end of 2030 or before
Working capital and general corporate uses	246.2	10%	–	246.2	At the end of 2030 or before
Total	2,462.6	100%	–	2,462.6	

Note:

- (1) The expected timeline for the utilization of unutilized net proceeds set out in the table above represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments. In the event of any intended change to the expected timeline above, the Company will comply with the appropriate disclosure requirements under the Listing Rules.

To the extent that the Net Proceeds are not immediately used for the above purposes or if the Company is unable to implement any part of the above plan as intended, and to the extent permitted by the relevant laws and regulations, the Company will only deposit such Net Proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions). In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules.

The Company confirmed that, from the Listing Date to the date of this report, such Net Proceeds that have not been immediately used for the above purposes have been deposited into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions.

Corporate Governance and Other Information

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not make any material acquisitions or disposals of subsidiaries, associates, or joint ventures during the Reporting Period.

To maximize returns on idle funds while maintaining high liquidity and low risk, the Group reasonably and strategically utilizes idle funds of the Group to conduct cash management, subscriptions to negotiable certificates of deposit, structured deposits and/or other wealth management products for investment purposes, without utilizing any proceeds from the Listing.

In conducting the aforesaid investments, the Group will take into account factors such as (i) the prevailing market interest rates and practices; and (ii) the available surplus cash of the Company for treasury management purposes, relative to the minimum subscription amount as determined by the issuer of the relevant products.

The significant investments held by the Group during the Reporting Period are as follows:

Name of licensed bank(s)	Outstanding principal amount/cost as at June 30, 2025 RMB'000 (approximately)	Nature/type of product	Fair value as at June 30, 2025 RMB'000 (approximately)	Accumulated profit through comprehensive income/interest income as at June 30, 2025 RMB'000 (approximately)	Percentage to the total assets of the Group as at June 30, 2025 (approximately)
Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司)	335,000	Principal-guaranteed structured deposit with floating return, classified as financial assets at fair value through profit or loss	336,227	1,227	12.3%
Bank of China Limited (中國銀行股份有限公司)	378,000		379,851	1,851	13.9%
Total	713,000		716,078	3,078	
Evergrowing Bank Co., Limited (恒豐銀行股份有限公司)	140,000	Fixed income negotiable certificate of deposit classified as debt investments at fair value through other comprehensive income	143,979	3,979	5.3%
Industrial Bank Co., Ltd. (興業銀行股份有限公司)	160,000		162,790	2,790	5.9%
Bank of China Limited (中國銀行股份有限公司)	240,560		254,949	14,389	9.3%
Ping An Bank Co., Ltd. (平安銀行股份有限公司)	314,163		332,175	18,012	12.1%
Total	854,723		893,893	39,170	

Note: As of June 30, 2025, the total amount of the structured deposits was RMB884,584,000 and the total amount of negotiable certificates of deposit was RMB1,060,588,000, which were purchased from different licensed banks under PRC law. Save for the above, the aggregate value of the structured deposits and the negotiable certificates of deposit purchased from each other licensed bank on an aggregated basis was less than 5% of the total assets of the Group as at June 30, 2025.

Corporate Governance and Other Information

Save for the aforesaid, the Company did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at June 30, 2025) during the Reporting Period.

Subsequent to the Listing on the Stock Exchange, on August 22, 2025, the Group subscribed for structured deposit products with an aggregate principal amount of approximately RMB45.0 million. Details are set out in the announcements of the Company dated August 1 and August 25, 2025.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group has no specific plans to make significant investments or acquire material capital assets. However, the Group will continue to seek new opportunities for strategic investments and/or acquisitions to achieve its long-term growth strategies. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

EMPLOYEE AND REMUNERATION POLICY

As at June 30, 2025, the Group had a total of 271 full-time employees (December 31, 2024: 233). During the Reporting Period, the employee remuneration of the Group included (i) employee salaries of approximately RMB50.5 million, representing an increase of 21.4% as compared to RMB41.6 million for the same period in 2024; and (ii) share-based payments of approximately RMB34.7 million, representing a significant increase of 1,188.5% as compared to RMB2.7 million for the same period in 2024. The Group places great emphasis on the potential of its employees and invests significant effort and resources in recruitment and training. In addition to regular recruitment programs through professional recruitment companies and other third parties, the Group also implements an internal referral policy to attract potential talent to join the Group. Given the long-term benefits of talent development, the Group regularly provides internal training programs for employees to enhance their technical knowledge and strengthen their industry knowledge and expertise. The Group offers employees competitive remuneration packages, including salaries, allowances, benefits in kind, bonuses, contributions to retirement plans, and social welfare benefits. The Group contributes to social insurance schemes for its employees, including medical insurance, work injury insurance, pension insurance, maternity insurance and unemployment insurance, as well as housing provident fund.

SHARE INCENTIVE PLANS

As of the date of this report, the Company has two restricted share incentive plans, namely, (i) restricted share incentive plan approved by the Shareholders on September 1, 2022 (the **"2022 Restricted Share Incentive Plan"**) and (ii) the restricted share incentive plan approved by the Shareholders on October 15, 2024 (the **"2024 Restricted Share Incentive Plan"**), and together with the 2022 Restricted Share Incentive Plan referred to as the **"Restricted Share Incentive Plans"**).

Corporate Governance and Other Information

Each restricted Share granted represents the right to purchase one A Share within the agreed period at the grant price. The restricted Shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. For details of the principal terms of the Restricted Share Incentive Plans, please refer to the section headed “Restricted Share Incentive Plans” in the Prospectus.

The terms of the 2022 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules, as it does not involve any grant of restricted Shares by the Company after the Listing. The terms of the 2024 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules other than Rule 17.12 as it does not involve any grant of restricted Shares by the Company after the Listing but is partially funded by the treasury Shares which are not listed on the Stock Exchange.

Details of the movements of the outstanding restricted Shares previously granted to grantees who are (i) Directors, chief executive officer, or substantial shareholders of the Company; and (ii) senior management of the Company under the respective Restricted Share Incentive Plans from the Listing Date to the date of this report (the “**Relevant Period**”) are as follows:

Category/ name of grantee	Position in the Group	Restricted Share Incentive Plan	Date of grant	Vesting period	Grant price	Number of Restricted Shares						Outstanding as an approximate percentage of the issued share capital as at the date of this report
						Outstanding at the Listing Date	Granted during the Relevant Period	Vested during the Relevant Period	Cancelled during the Relevant Period	Lapsed during the Relevant Period	Outstanding as at the date of this report	
(i) Directors, chief executive officer, or substantial shareholders of the Company and/or their respective associates												
Mr. Bi Lei	Executive Director, chairman of the Board, general manager and chief executive officer	2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB70.00	60,000	0	0	0	0	60,000	0.05%
Dr. Bi Chao	Executive Director and chief technology officer	2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB70.00	20,000	0	0	0	0	20,000	0.02%
(ii) Senior management of the Company												
Ms. Zhang Hongmei	Finance director	2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB70.00	10,000	0	0	0	0	10,000	0.01%
Ms. Jiao Qianqian	Secretary of the Board and joint company secretary	2022 Restricted Share Incentive Plan	September 2, 2022	Note 3, Note 5	RMB54.13	2,000	0	0	0	0	2,000	0.00%
		2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB70.00	10,000	0	0	0	0	10,000	0.01%
Total						102,000	0	0	0	0	102,000	0.09%

Corporate Governance and Other Information

Notes:

- (1) The calculation is based on the total number of 92,363,380 A Shares (inclusive of 193,000 treasury A Shares) and 21,556,000 H Shares in issue as of the date of this report.
- (2) Under the 2024 Restricted Share Incentive Plan, 30%, 30% and 40% of the restricted Shares (other than the 2024 Retained Restricted Shares) are vested in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.
- (3) Under the 2022 Restricted Share Incentive Plan, 20%, 40% and 40% of the restricted Shares (other than the 2022 Retained Restricted Shares) are vested in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.
- (4) The grant price under the 2022 Restricted Share Incentive Plan takes into account the adjustment due to the dividends distributions, including (i) the Company's distribution of cash dividends of RMB4.8 (tax inclusive) per 10 Shares to the then existing Shareholders on June 7, 2023; and (ii) the Company's distribution of cash dividends of RMB6.1 (tax inclusive) per 10 Shares to the then existing Shareholders on June 24, 2024.
- (5) The 27th meeting of the second session of the Board of the Company has considered and approved the Resolution on Adjusting the Grant Price of 2022 Restricted Share Incentive Plan. As the 2024 Equity Distribution Plan has been implemented, the Board has made corresponding adjustment to the grant price (including reserved grants) of the 2022 Restricted Share Incentive Plan in accordance with relevant regulations of the Management Measures and the Incentive Plan and the authorization of the 2022 First Extraordinary General Meeting of the Company, with the grant price adjusted from RMB54.91 to RMB54.13 per share.

The table below sets forth the details of outstanding restricted Shares granted to other grantees in aggregate (excluding Directors and senior management of the Company) under the respective Restricted Share Incentive Plans as of Date of this report:

Restricted Share Incentive Plan	Number of grantees	Date of grant	Vesting period	Grant price	Number of Restricted Shares						
					Outstanding at the Listing Date	Granted during the Relevant Period	Vested during the Relevant Period	Cancelled during the Relevant Period	Lapsed during the Relevant Period	Outstanding as at the date of this report	Outstanding as an approximate percentage of the issued share capital as at the date of this report
2022 Restricted Share Incentive Plan	118	September 2, 2022	Note 2	RMB54.13	853,400	0	0	0	0	853,400	0.76%
	4	August 3, 2023	Note 3, Note 7	RMB54.13	55,000	0	0	0	0	55,000	0.48%
2024 Restricted Share Incentive Plan	215	November 22, 2024	Note 4	RMB70.00	1,499,000	0	0	0	0	1,499,000	1.32%
	4	April 9, 2025	Note 5	RMB70.00	30,000	0	0	0	0	30,000	0.03%

Corporate Governance and Other Information

Notes:

- (1) The calculation is based on the total number of 92,363,380 A Shares (inclusive of 193,000 treasury A Shares) and 21,556,000 H Shares in issue as of the date of this report.
- (2) Represents the outstanding restricted Shares granted to 118 grantees who are not Directors or senior management of the Company under the 2022 Restricted Share Incentive Plan, excluding the outstanding 2022 Retained Restricted Shares, as resolved by the Board. 20%, 40% and 40% of the restricted Shares (other than the 2022 Retained Restricted Shares) are vested in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.
- (3) Represents the outstanding 2022 Retained Restricted Shares granted to four grantees who are not Directors or senior management of the Company, as resolved by the Board. As the 2022 Retained Restricted Shares were granted on August 3, 2023, following the release of the Company's 2022 third quarterly report, 50% and 50% of the Retained Restricted Shares are vested in each of the two vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 36 months from the date of grant, respectively.
- (4) Represents the outstanding restricted Shares granted to 215 grantees who are not Directors or senior management of the Company under the 2024 Restricted Share Incentive Plan, excluding the 2024 Retained Restricted Shares, as resolved by the Board. 30%, 30% and 40% of the restricted Shares (other than the 2024 Retained Restricted Shares) are vested in each of the three vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.
- (5) Represents the 2024 Retained Restricted Shares granted to four grantees who are not Directors or senior management of the Company under the 2024 Restricted Share Incentive Plan, as resolved by the Board. 50% and 50% of the restricted Shares are vested in each of the two vesting periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 36 months from the date of grant, respectively.
- (6) The grant price under the 2022 Restricted Share Incentive Plan takes into account the adjustment for dividends distributions, including: (i) the Company's distribution of cash dividends of RMB4.8 (tax inclusive) per 10 Shares to the then existing Shareholders on June 7, 2023; and (ii) the Company's distribution of cash dividends of RMB6.1 (tax inclusive) per 10 Shares to the then existing Shareholders on June 24, 2024; and (iii) the Company's distribution of cash dividends of RMB7.8 (tax inclusive) per 10 Shares to the then existing Shareholders on May 23, 2025.
- (7) The 27th meeting of the second session of the Board of the Company has considered and approved the Resolution on Adjusting the Grant Price of 2022 Restricted Share Incentive Plan. As the 2024 Equity Distribution Plan has been implemented, the Board has made corresponding adjustment to the grant price (including reserved grants) of the 2022 Restricted Share Incentive Plan in accordance with relevant regulations of the Management Measures and the Incentive Plan and the authorization of the 2022 First Extraordinary General Meeting of the Company, with the grant price adjusted from RMB54.91 to RMB54.13 per share.
- (8) The 27th meeting of the second session of the Board of the Company has considered and approved the Resolution on Abolishing Certain Restricted Shares Granted but not yet vested under the 2022 Restricted Share Incentive Plan. As 2 participants initially granted shares under the 2022 Restricted Share Incentive Plan have resigned and are no longer eligible for the incentive, a total of 7,200 Restricted Shares that have been granted but not yet vested shall not be vested and shall be lapsed.
- (9) Save as aforesaid, no other restricted Shares have been granted under the Share Incentive Plans to (i) any director, chief executive or substantial shareholder of the Company, or their respective associate; (ii) any participant with options and awards granted and to be granted in excess of the 1% individual limit; or (iii) other employee participants, or any other related entity participants and service providers.

Corporate Governance and Other Information

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

From the Listing Date to the date of this report, the Company and its subsidiaries did not purchase, sell, or redeem any of the listed securities of the Company (including any sale or transfer of any A Shares of the Company (the “A Share(s)”) which are held by the Company as treasury Shares (as defined in the Listing Rules)).

As at June 30, 2025, the Company held 193,000 A Shares as treasury Shares (as defined in the Listing Rules). As at the date of this report, the Company may consider using its treasury A Shares to partially fund its 2024 Restricted Share Incentive Plan, which was approved on October 15, 2024 and will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate.

DISCLOSURE OF CHANGES IN DIRECTORS’ INFORMATION PURSUANT TO LISTING RULE 13.51B(1)

From the Listing Date up to the date of this report, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the six months ended June 30, 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As at June 30, 2025 and up to the date of this report, except as described in the section headed “H Shares Listing and the Use of Proceeds from the Listing” above, the Group does not have any significant events after the Reporting Period. The Company held an extraordinary general meeting on August 15, 2025, to consider and approve the following resolutions (1) to appoint Zhongxinghua Certified Public Accountants LLP as the A Shares (domestic) auditor for the year ending 2025; (2) to appoint Ernst & Young as the H Shares (overseas) auditor for the year ending 2025; and (3) to approve the proposal in relation to the use of idle funds for cash management and authorize to use idle self-owned funds in an amount of no more than RMB4.5 billion for purchasing investment products with high safety and strong liquidity. The validity period shall be up to the date of the 2025 annual general meeting, within which the funds may be used on a rolling basis.

The Company issued a circular dated August 19, 2025, to propose the following resolutions: (1) proposed cancellation of the supervisory committee and amendments to the Articles of Association; (2) proposed amendments to certain Governance Rules; (3) proposed general mandate granted to the Board to issue H Shares; and (4) proposed implementation of foreign exchange hedging limit. The above resolutions were considered and approved at the extraordinary general meeting on September 10, 2025.

Corporate Governance and Other Information

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) and written terms of reference in accordance with the Listing Rules and the CG Code. As of the date of this report, the Audit Committee consists of three members, including three independent non-executive directors, namely, Mr. Chen Jingyang, Dr. Lin Mingyao, and Dr. Niu Shuangxia. Mr. Chen Jingyang serves as the chairman of the Audit Committee. The primary responsibilities of the Audit Committee include reviewing and supervising the financial reporting processes and internal control systems of the Group, and providing recommendations and opinions to the Board.

The Audit Committee has reviewed and approved the accounting principles and practices adopted by the Group with the senior management of the Company, and has reviewed the unaudited consolidated interim results and the interim report of the Group for the Reporting Period.

In addition, the external auditor of the Company, Ernst & Young (“**EY**”), has reviewed the interim financial information of the Group for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with Hong Kong Standards on Review Engagements, and consequently, does not provide assurance that EY would become aware of all significant matters that might be identified in an audit. Accordingly, EY does not express an audit opinion.

On behalf of the Board

BI Lei

Chairman of the Board

Hong Kong, August 27, 2025

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2025 – unaudited
(presented in RMB)

	Notes	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
REVENUE	4	375,040	282,324
Cost of sales		<u>(180,448)</u>	<u>(133,931)</u>
Gross profit		194,592	148,393
Other income and gains	5	39,183	38,737
Selling and distribution expenses		(17,012)	(8,316)
Administrative expenses		(21,890)	(13,158)
Research and development costs		(70,710)	(40,194)
Impairment losses on financial assets, net		(205)	(88)
Other expenses		(1,830)	(938)
Finance costs		(325)	(335)
Share of losses of an associate		<u>(2)</u>	<u>–</u>
PROFIT BEFORE TAX	6	121,801	124,101
Income tax expense	7	<u>(5,290)</u>	<u>(2,080)</u>
PROFIT FOR THE PERIOD		<u>116,511</u>	<u>122,021</u>
Attributable to:			
Owners of the parent		<u>116,511</u>	<u>122,021</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
– for profit for the period		<u>RMB1.26</u>	<u>RMB1.32</u>
Diluted			
– for profit for the period		<u>RMB1.25</u>	<u>RMB1.32</u>

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2025 – unaudited
(presented in RMB)

	2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
PROFIT FOR THE PERIOD	116,511	122,021
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	21	125
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	21	125
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(189)	(25)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(189)	(25)
Other comprehensive (loss)/income for the period, net of tax	(168)	100
Total comprehensive income for the period, net of tax	116,343	122,121
Attributable to:		
Owners of the parent	116,343	122,121

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2025 – unaudited
(presented in RMB)

	Notes	June 30, 2025 (unaudited) RMB'000	December 31, 2024 (audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	149,577	147,636
Right-of-use assets		13,909	16,150
Intangible assets		10,233	9,054
Investment in an associate	11	10,798	–
Equity investment designated at fair value through other comprehensive income		506	716
Financial assets at fair value through profit or loss	17	8,307	–
Debt investment at fair value through other comprehensive income	12	546,727	794,344
Deferred tax assets		26,867	15,603
Other non-current assets	13	38,003	29,567
Total non-current assets		804,927	1,013,070
CURRENT ASSETS			
Inventories	14	167,368	160,483
Trade receivables	15	12,544	5,638
Prepayments, deposits and other receivables	16	72,122	49,998
Financial assets at fair value through profit or loss	17	914,434	824,396
Debt investments at fair value through other comprehensive income	12	513,861	181,818
Time deposits		126,025	116,493
Cash and cash equivalents		130,819	297,355
Total current assets		1,937,173	1,636,181
CURRENT LIABILITIES			
Trade and bills payables	18	42,321	7,325
Contract liabilities	20	1,722	1,275
Other payables and accruals	19	34,150	66,461
Lease liabilities		4,383	3,640
Tax payable		5,729	253
Total current liabilities		88,305	78,954
NET CURRENT ASSETS		1,848,868	1,557,227
TOTAL ASSETS LESS CURRENT LIABILITIES		2,653,795	2,570,297

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2025 – unaudited
(presented in RMB)

	Notes	June 30, 2025 (unaudited) RMB'000	December 31, 2024 (audited) RMB'000
NON-CURRENT LIABILITIES			
Other payables and accruals	19	836	–
Lease liabilities		10,188	12,434
Deferred income		4,285	4,928
Total non-current liabilities		15,309	17,362
Net assets		2,638,486	2,552,935
EQUITY			
Equity attributable to owners of the parent			
Share capital	21	92,363	92,363
Treasury Shares		(193)	(193)
Reserves		2,546,316	2,460,765
Total equity		2,638,486	2,552,935

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025
(presented in RMB)

	Share capital RMB'000	Treasury Shares RMB'000	Capital reserve* RMB'000	Share option reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Statutory surplus reserve* RMB'000	Retained profits* RMB'000	Total equity RMB'000
At December 31, 2024 (audited)	92,363	(193)	1,842,194	25,788	(165)	(607)	55,862	537,693	2,552,935
Profit for the period	-	-	-	-	-	-	-	116,511	116,511
Other comprehensive income for the period:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(189)	-	-	-	(189)
Exchange differences on translation of foreign operations	-	-	-	-	-	21	-	-	21
Total comprehensive income/(loss) for the period	-	-	-	-	(189)	21	-	116,511	116,343
Dividends declared	-	-	-	-	-	-	-	(71,893)	(71,893)
Share-based payments	-	-	-	41,101	-	-	-	-	41,101
At June 30, 2025 (unaudited)	92,363	(193)	1,842,194*	66,889*	(354)*	(586)*	55,862*	582,311*	2,638,486

* These reserve accounts comprise the consolidated reserves of RMB2,546,316,000 in the interim condensed consolidated statement of financial position as at June 30, 2025.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025
(presented in RMB)

	Share capital RMB'000	Treasury Shares RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total equity RMB'000
At December 31, 2023 (audited)	92,363	-	1,862,022	10,098	-	(830)	53,699	373,766	2,391,118
Profit for the period	-	-	-	-	-	-	-	122,021	122,021
Other comprehensive income for the period:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(25)	-	-	-	(25)
Exchange differences on translation of foreign operations	-	-	-	-	-	125	-	-	125
Total comprehensive income/(loss) for the period	-	-	-	-	(25)	125	-	122,021	122,121
Dividends declared	-	-	-	-	-	-	-	(56,272)	(56,272)
Share-based payments	-	-	-	2,579	-	-	-	-	2,579
Shares repurchased	-	(133)	(13,666)	-	-	-	-	-	(13,799)
At June 30, 2024 (unaudited)	<u>92,363</u>	<u>(133)</u>	<u>1,848,356</u>	<u>12,677</u>	<u>(25)</u>	<u>(705)</u>	<u>53,699</u>	<u>439,515</u>	<u>2,445,747</u>

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025
(presented in RMB)

		Six months ended June 30,	
		2025	2024
		(unaudited)	(unaudited)
		RMB'000	RMB'000
Notes			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		121,801	124,101
Adjustments for:			
Bank interest income	6	(3,356)	(5,903)
Other interest income from debt investments at fair value through other comprehensive income	6	(13,865)	(7,600)
Finance costs		325	335
Fair value gains on financial assets at fair value through profit or loss	6	(3,571)	(1,182)
Investment income from financial assets at fair value through profit or loss	6	(6,689)	(13,912)
Share of profits and losses of an associate		2	–
Foreign exchange losses/(gains)		241	(289)
Loss on disposal of items of property, plant and equipment		1	–
Depreciation of property, plant and equipment	6	4,317	1,444
Depreciation of right-of-use assets	6	2,241	1,988
Amortisation of intangible assets	6	2,030	1,680
Impairment losses of financial assets, net	6	205	88
Write-down of inventories to net realisable value	6	1,982	1,732
Gain on disposal of a subsidiary		(167)	–
Equity-settled share-based payments		34,655	2,690
		140,151	105,172
(Increase)/decrease in inventories		(8,867)	31,862
Increase in trade receivables		(7,120)	(2,791)
Increase in prepayments, deposits and other receivables		(1,468)	(6,821)
Increase in trade and bills payables		34,996	6,748
Decrease in other payables and accruals		(29,577)	(23,468)
Decrease in deferred income		(643)	(337)
Cash generated from operations		127,472	110,365
Interest received		981	4,082
Income tax paid		(6,550)	(854)
Net cash flows from operating activities		121,903	113,593

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025
(presented in RMB)

	Notes	Six months ended June 30, 2025 (unaudited) RMB'000	2024 (unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of wealth management products and structured deposits		1,248,708	2,097,234
Investment income from financial assets at fair value through profit or loss		13,553	13,912
Proceeds from time deposits		172,939	162,420
Purchases of property, plant and equipment		(10,407)	(99,337)
Additions of intangible assets		(2,110)	(2,798)
Payment for cooperative building construction		(5,529)	(1,243)
Purchases of wealth management products and structured deposits		(1,341,955)	(1,928,740)
Purchases of equity investments at fair value through other comprehensive income		—	(900)
Purchases of time deposits		(182,241)	(179,262)
Purchases of debt investments at fair value through other comprehensive income		(70,561)	(211,100)
Interest received from time deposits		1,671	1,877
Addition of investment in an associate		(10,800)	—
Proceeds from disposal of a subsidiary		64	—
Purchase of financial assets at fair value through profit or loss		(8,400)	—
Net cash flows used in investing activities		(195,068)	(147,937)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(71,893)	(56,272)
Lease payments		(1,885)	(2,269)
Payment for deferred listing expenses		(17,528)	—
Settlements under instalment payables		(1,951)	(2,555)
Repurchase of Shares		—	(13,799)
Net cash flows used in financing activities		(93,257)	(74,895)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(166,422)	(109,239)
Cash and cash equivalents at beginning of period		297,355	608,696
Effect of foreign exchange rate changes, net		(114)	19
CASH AND CASH EQUIVALENTS AT END OF PERIOD		130,819	499,476
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS		130,819	499,476

Notes to Interim Condensed Consolidated Financial Information

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability incorporated in People's Republic of China ("**PRC**") on May 21, 2010. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688279) on April 20, 2022. Its H Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since July 9, 2025 (stock code: 01304). The registered address of the Company is 203, Building 11, Software Park (Phase II), 1 Keji Central Road II, Gaoxin Central Zone, Nanshan District, Shenzhen, Guangdong, PRC. The Company is ultimately controlled by Dr. Bi Chao, Mr. Bi Lei and Ms. Gao Shuai who are acting in concert.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the development and commercialization of BLDC (Brushless DC) motor control and drive products and solutions.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the historical financial information and should be read in conjunction with the Group's historical financial information for the years ended December 31, 2022, 2023 and 2024, as set out in the accountants' report (the "**Accountants' Report**") included in prospectus of the Company dated June 30, 2025 (the "**Prospectus**").

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income and financial assets at fair value through profit or loss, which have been measured at fair value.

The unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand unless otherwise indicated.

Notes to Interim Condensed Consolidated Financial Information

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's historical financial information for the years ended December 31, 2022, 2023 and 2024, except for the adoption, for the first time in this Reporting Period, of the following amended IFRS Accounting Standard.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable into another currency and how to estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments had no impact on the interim condensed consolidated financial information.

Notes to Interim Condensed Consolidated Financial Information

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates as a single business unit based on its products, and has one reportable operating segment, which is principally engaged in the development and commercialization of BLDC (Brushless DC) motor control and drive products and solutions.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(a) Revenue from external customers

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Mainland China*	345,722	262,818
Other countries/regions**	29,318	19,506
	375,040	282,324

The revenue information above is based on the locations of the customers.

* Mainland China represents the People's Republic of China excluding Hong Kong, Macau and Taiwan.

** Other countries/regions primarily include (i) Taiwan, China, (ii) India and (iii) Hong Kong.

(b) Non-current assets

All significant operating assets of the Group are located in the Mainland China. Accordingly, no geographical information of non-current assets is presented.

Information about major customers

Revenue derived from a single customer which accounted for 10% or more of the Group's total revenue is as follows:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Customer A	52,210	39,661
Customer B	38,889	28,618

Notes to Interim Condensed Consolidated Financial Information

4. REVENUE

Revenue from contracts with customers

(i) Disaggregated revenue information

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Types of goods		
MCU	228,095	174,338
ASIC	66,878	42,749
HVIC	43,210	42,279
MOSFET	1,202	1,005
IPM	35,282	21,427
Others	373	526
Total revenue from contracts with customers	<u>375,040</u>	<u>282,324</u>
Geographical markets		
Mainland China	345,722	262,818
Other countries/regions	<u>29,318</u>	<u>19,506</u>
Total revenue from contracts with customers	<u>375,040</u>	<u>282,324</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>375,040</u>	<u>282,324</u>

(ii) Performance obligations

Sale of products

The performance obligation is satisfied upon delivery and acceptance. The Group grant credit terms to certain customers on a case-by-case basis, and generally grant a limited number of customers credit period of less than 30 days.

Notes to Interim Condensed Consolidated Financial Information

5. OTHER INCOME AND GAINS

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Other income		
Bank interest income	3,356	5,903
Other interest income from debt investments at fair value through other comprehensive income	13,865	7,600
Investment income from financial assets at fair value through profit or loss	6,689	13,912
Government grants*	11,317	9,549
	<u>35,227</u>	<u>36,964</u>
Other gains		
Fair value gains on financial assets at fair value through profit or loss	3,571	1,182
Others	385	591
	<u>3,956</u>	<u>1,773</u>
	<u>39,183</u>	<u>38,737</u>

* The Group has received certain government grants related to assets and income. Future related costs are expected to be incurred for certain grants and the Group is required to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions.

Notes to Interim Condensed Consolidated Financial Information

6. PROFIT BEFORE TAX

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

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Cost of inventories sold*	180,448	133,931
Depreciation of property, plant and equipment	4,317	1,444
Depreciation of right-of-use assets	2,241	1,988
Amortisation of intangible assets **	2,030	1,680
Research and development costs	70,710	40,194
Lease payments not included in the measurement of lease liabilities	367	292
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Salaries, bonuses and other benefits	41,389	33,792
Pension scheme contributions, social welfare and other welfare ***	8,066	6,215
Equity-settled share-based payments	33,077	2,690
	82,532	42,697
Impairment losses of financial assets, net:		
Impairment loss of trade receivables	214	84
(Reversal of impairment)/impairment loss of other receivables	(9)	4
	205	88
Fair value gains on financial assets at fair value through profit or loss	(3,571)	(1,182)
Foreign exchange losses	1,829	938
Bank interest income	(3,356)	(5,903)
Other interest income from debt investments at fair value through other comprehensive income	(13,865)	(7,600)
Government grants	(11,317)	(9,549)
Investment income from financial assets at fair value through profit or loss	(6,689)	(13,912)
Write-down of inventories to net realisable value *	1,982	1,732

* Write-down of inventories to net realisable value is included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

** The amortisation of intangible assets is included in "Selling and distribution expenses", "Administrative expenses", and "Research and development costs" in the interim condensed consolidated statement of profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Notes to Interim Condensed Consolidated Financial Information

7. INCOME TAX

The major components of the income tax expense for the period are as follows:

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Current tax expense		
Mainland China	11,599	1,092
Over provision in prior years from the Mainland China	(1,469)	—
	<u>10,130</u>	<u>1,092</u>
Deferred tax (credit)/expense		
Mainland China	(4,817)	1,406
Other regions	(23)	(418)
	<u>(4,840)</u>	<u>988</u>
Total tax expense for the period	<u>5,290</u>	<u>2,080</u>

8. DIVIDENDS

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Final declared RMB7.8 (2024: RMB6.1) for every 10 Shares	<u>71,893</u>	<u>56,272</u>

Pursuant to the resolutions of the Shareholders of the Company dated April 22, 2025, the Company declared dividends of RMB7.8 (May 22, 2024: RMB6.1 per 10 Shares) for every 10 Shares (excluding A Shares as Treasury Shares), amounting to a total of approximately RMB71,893,000 (six months ended June 30, 2024: RMB56,272,000).

Notes to Interim Condensed Consolidated Financial Information

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary Shares issued during the period.

The calculation of the diluted earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary Shares used in the calculation is the number of ordinary Shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary Shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary Shares into ordinary Shares.

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

	Six months ended June 30,	
	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in basic and diluted earnings per share calculation	<u>116,511</u>	<u>122,021</u>
	Six months ended June 30,	
	2025 (unaudited)	2024 (unaudited)
Number of Shares		
Weighted average number of ordinary Shares in issue during the period, used in the basic earnings per Share calculation	<u>92,170,380</u>	<u>92,304,713</u>
Effect of dilution – weighted average number of ordinary Shares: Type II restricted Shares*	<u>963,604</u>	<u>–</u>
Total	<u>93,133,984</u>	<u>92,304,713</u>

* Type II restricted Shares refer to A Shares granted to the participants pursuant to which the participants have the right to subscribe new A Shares of the Company upon the satisfaction of certain vesting conditions.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2025, the Group acquired assets with a cost of RMB6,259,000 (June 30, 2024: RMB2,270,000) and had disposed assets with net carrying amounts of RMB1,000 (June 30, 2024: Nil).

Notes to Interim Condensed Consolidated Financial Information

11. INVESTMENT IN AN ASSOCIATE

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Share of net assets	10,798	—

Particulars of the Group's associate is as follows:

Name	Particulars of issued Shares held	Place of registration and business	Percentage of ownership interest attributable to the Group June 30, 2025	Principal activities
Zhejiang Sanhua Jingqu Future Technology Co., Ltd.	Ordinary Shares	PRC	36.00%	Motors research and development, manufacture and sales

In February 2025, the Company and Sanhua Holding Group Co., Ltd., an independent third-party jointly established Zhejiang Sanhua Jingqu Future Technology Co., Ltd. (浙江三花精驅未來科技有限公司).

12. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Non-current asset		
Negotiable certificate of deposit	546,727	794,344
Current asset		
Negotiable certificate of deposit	513,861	181,818

The above certificate deposits are issued by licensed banks in the Mainland China. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling.

Notes to Interim Condensed Consolidated Financial Information

13. OTHER NON-CURRENT ASSETS

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Prepayment for outsourced processing fees	352	708
Prepayment for purchase of property, plant and equipment	6,891	3,242
Cooperative building construction*	30,760	25,617
	38,003	29,567

* It represented the payments for the construction costs of the land and the buildings which are jointly owned by the Group and other independent third parties. Pursuant to the Joint Land Bidding Agreement, upon successful acquisition of the target land parcel, all participating parties jointly fund the cooperative development and construction of the project. Each party Shares the costs required for the project's full completion and operational commencement based on the agreed proportion. As no independent land use certificates are obtained, the land remains collectively owned and does not meet the definition of an identifiable asset, the allocated construction costs of the land and the buildings borne by the Group are classified as non-current assets and separately disclosed.

14. INVENTORIES

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Raw materials	28,537	56,628
Finished goods	64,770	46,460
Outsourced processing materials	74,061	57,300
Goods in transit	—	95
	167,368	160,483

The inventories are net of a write-down of approximately RMB7,360,000 as at June 30, 2025 (December 31, 2024: RMB5,800,000).

Notes to Interim Condensed Consolidated Financial Information

15. TRADE RECEIVABLES

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Trade receivables	12,932	5,812
Allowance for expected credit losses	(388)	(174)
	<u>12,544</u>	<u>5,638</u>

The Group's trading terms with its customers are mainly on an advance payment basis, and some customers are on credit. The credit period is generally within 30 days. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to diversified customers, there is no significant concentration of credit risk. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of June 30, 2025, based on the billing date and net of allowance for expected credit losses, is as follows:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Within one year	<u>12,544</u>	<u>5,638</u>

The movements in the allowance for expected credit losses of trade receivables are as follows:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
At the beginning of period/year	174	178
Impairment/(reversal of impairment) of losses, net (note 6)	214	(4)
At the end of period/year	<u>388</u>	<u>174</u>

Notes to Interim Condensed Consolidated Financial Information

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Prepayments	13,277	7,727
Deposits and other receivables*	2,288	3,090
VAT to be deducted	26,286	27,670
Deferred listing expenses	30,312	11,561
	72,163	50,048
Less: Impairment of other receivables **	(41)	(50)
	72,122	49,998

* Deposits and other receivables are unsecured, non-interest-bearing and repayable on demand.

** As of June 30, 2025, the impairment of the financial assets included in prepayments, other receivables and other assets was measured based on 12-month expected credit losses if the assets were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the impairment was measured based on lifetime expected credit losses.

Notes to Interim Condensed Consolidated Financial Information

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Non-current asset		
Unlisted fund investment, at fair value: Shanghai Huake Zhixin Venture Capital Partnership (Limited Partnership)	8,307	—
Current asset		
Wealth management products	29,850	41,913
Structured deposits	884,584	782,483
Subtotal	914,434	824,396
Total	922,741	824,396

The unlisted fund investment as of June 30, 2025 was classified as financial asset at fair value through profit or loss as it was held for trading.

The wealth management products and the structured deposits were classified as financial assets at fair value through profit or loss as their contractual cash flows were not solely payments of principal and fixed interest.

18. TRADE AND BILLS PAYABLES

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Bills payable	21,987	68
Trade payables	20,334	7,257
	42,321	7,325

Notes to Interim Condensed Consolidated Financial Information

18. TRADE AND BILLS PAYABLES (CONTINUED)

An ageing analysis of the trade payable as at June 30, 2025, based on the date of goods received from the suppliers, is as follows:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Within one year	42,321	7,325

19. OTHER PAYABLES AND ACCRUALS

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Current liabilities		
Deposits payable	4,536	4,832
Payroll payables	6,826	37,483
Accruals and other payables	18,984	17,855
Instalments payable due within one year	817	1,701
Other tax payables	2,987	4,590
	34,150	66,461
Non-current liabilities		
Instalments payable for purchase of intangible assets	836	—

Instalments payable relates to the purchase of intangible assets which are payable in three instalments over three years. Deposits payable represents the deposits received from the customers to secure the production capacity, which will be returned to the customers when future sales occur. Other than that, other payables included in the above balances are non-interest-bearing.

Notes to Interim Condensed Consolidated Financial Information

20. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Sale of products	<u>1,722</u>	<u>1,275</u>

Contract liabilities include short-term advances received for the delivery of products.

21. SHARE CAPITAL

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Registered, issued and fully paid A Shares	<u>92,363</u>	<u>92,363</u>

Notes to Interim Condensed Consolidated Financial Information

22. COMMITMENTS

The Group had the following capital commitments as at June 30, 2025:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Contracted, but not provided for:		
Property, plant and equipment	6,637	2,562
Cooperative building construction	59,423	64,952
	<u>66,060</u>	<u>67,514</u>

23. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group

	Six months ended June 30, 2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
Salaries, allowances and benefits in kind	1,936	1,895
Pension scheme contributions	136	121
Share-based payments	1,977	12
	<u>4,049</u>	<u>2,028</u>

Supervisors' emoluments are not included in the above amounts.

Notes to Interim Condensed Consolidated Financial Information

24. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at June 30, 2025 are as follows:

	As at June 30, 2025 RMB'000 (unaudited)	As at December 31, 2024 RMB'000 (audited)
Financial assets		
Financial assets at fair value through profit or loss:		
Financial assets at fair value through profit or loss	<u>922,741</u>	<u>824,396</u>
Financial assets at fair value through other comprehensive income:		
Debt investments at fair value through other comprehensive income	<u>1,060,588</u>	<u>976,162</u>
Equity investments designated at fair value through other comprehensive income	<u>506</u>	<u>716</u>
	<u>1,061,094</u>	<u>976,878</u>
At amortised cost:		
Cash and cash equivalents	<u>130,819</u>	<u>297,355</u>
Time deposits	<u>126,025</u>	<u>116,493</u>
Trade receivables	<u>12,544</u>	<u>5,638</u>
Financial assets included in prepayments, deposits and other receivables	<u>2,247</u>	<u>3,040</u>
	<u>271,635</u>	<u>422,526</u>
Financial liabilities		
At amortised cost:		
Trade and bills payables	<u>42,321</u>	<u>7,325</u>
Financial liabilities included in other payables and accruals	<u>25,173</u>	<u>24,388</u>
Lease liabilities	<u>14,571</u>	<u>16,074</u>
	<u>82,065</u>	<u>47,787</u>

Notes to Interim Condensed Consolidated Financial Information

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of the Group's financial assets or liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, time deposits, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance director reports directly to the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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

The fair values of the non-current portion of other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group invests in the wealth management products and structured deposits and negotiable certificate of deposits issued by banks and other qualified financial institutions in the Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair value of unlisted fund investment has been estimated with reference to the adjusted net asset value provided by the relevant administrator. The fair values of unlisted equity investment designated at fair value through other comprehensive income has been estimated using an asset-based approach. The directors believe that the estimated fair value resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and profit or loss, are reasonable, and that they were the most appropriate values at the end of the Reporting Period.

Notes to Interim Condensed Consolidated Financial Information

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

Fair value hierarchy

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

Assets measured at fair value:

As at June 30, 2025 (unaudited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investment designated at fair value through other comprehensive income	–	–	506	506
Debt investments at fair value through other comprehensive income	–	1,060,588	–	1,060,588
Financial assets at fair value through profit or loss	–	914,434	8,307	922,741
Total	–	1,975,022	8,813	1,983,835

Notes to Interim Condensed Consolidated Financial Information

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

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at December 31, 2024 (audited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income	–	–	716	716
Debt investments at fair value through other comprehensive income	–	976,162	–	976,162
Financial assets at fair value through profit or loss	–	824,396	–	824,396
Total	–	1,800,558	716	1,801,274

26. EVENTS AFTER THE RELEVANT PERIOD

The H Shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since July 9, 2025 (stock code: 01304) and 18,744,400 H Shares were issued. Following the full exercise of the Over-Allotment Option described in the Prospectus on July 24, 2025, the number of H Shares issued and listed increased from 18,744,400 to 21,556,000.