Fortior Tech
峰岹科技

峰岹科技(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
2026
INTERIM REPORT

CONTENT

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

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 *(appointed on July 8, 2026)*
Ms. Ma Wing Yee
Mr. Sun Yunzi *(resigned on June 12, 2026)*

AUTHORIZED REPRESENTATIVES

Mr. Bi Lei
Ms. Ma Wing Yee

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

203, Building 11
Software Park (Phase II)
1 Keji Central Road II, Gaoxin Central Zone
Nanshan District, Shenzhen
Guangdong
PRC

PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre
248 Queen's Road East
Wanchai
Hong Kong

COMPANY'S WEBSITE

www.fortiortech.com

HONG KONG LEGAL ADVISOR

Paul Hastings (Hong Kong) LLP
22/F
Bank of China Tower
1 Garden Road
Hong Kong

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
Bank of Jiangsu, Shenzhen Science and Technology 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,	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	**560,903**	375,040
Cost of sales	**(269,201)**	(180,448)
Gross profit	**291,702**	194,592
Profit before tax	**216,475**	121,801
Income tax expense	**(17,266)**	(5,290)
Profit for the period	**199,209**	116,511

	As of June 30, 2026	As of December 31, 2025
	RMB'000	RMB'000
	(unaudited)	(audited)
Non-current assets	**1,180,733**	1,028,475
Current assets	**4,188,399**	4,195,644
Current liabilities	**123,493**	135,105
Net current assets	**4,064,906**	4,060,539
Total assets less current liabilities	**5,245,639**	5,089,014
Net assets	**5,233,462**	5,074,519
Share capital	**115,114**	114,833
Retained profit	**783,362**	673,942
Total equity	**5,233,462**	5,074,519

Management Discussion and Analysis

BUSINESS REVIEW

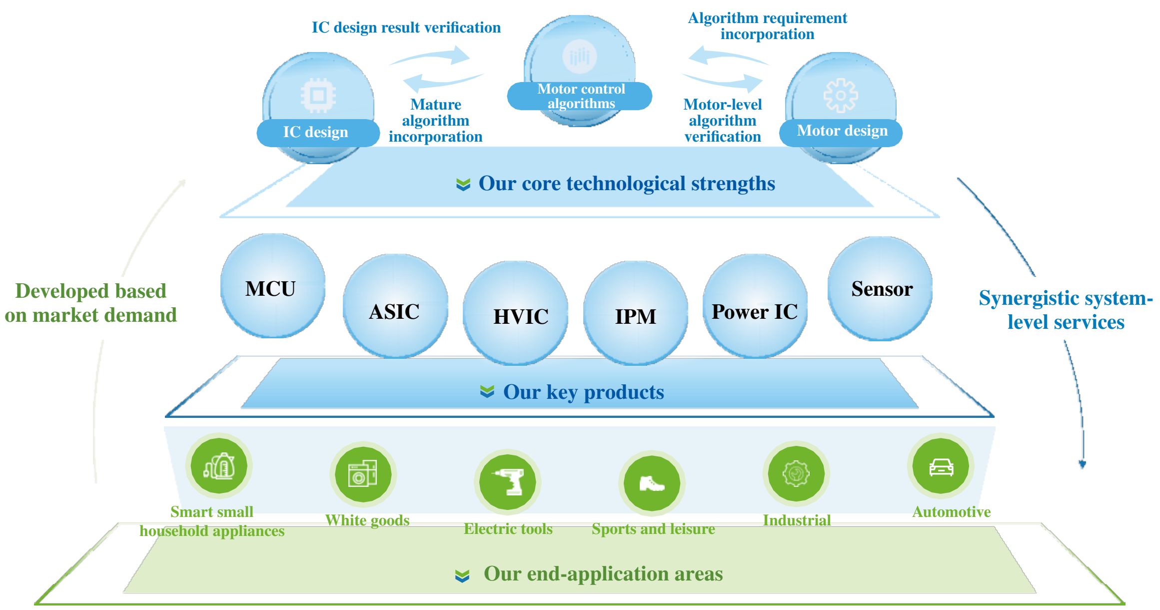
I. BUSINESS OVERVIEW

Principal Business Analysis

During the six months ended June 30, 2026 (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) HVICs (motor driver chips); (iii) IPMs; (iv) Power ICs (power devices); and (v) Sensors (sensor chips).

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;

- We are the only Chinese company among the top five companies in the same market.

Our main products include MCUs/ASICs, HVICs, IPMs, Power ICs, and Sensors, 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 Power ICs. Based on the control instructions from the MCUs/ASICs, the Power ICs, driven by the HVICs, generate specific electromagnetic fields, which drive the rotation of the motor, allowing the BLDC motor to operate efficiently. Sensors detect the position or current of the motor rotor and transmit this information to the MCUs/ASICs. In some motor drive control systems, IPMs can be used instead; they integrate the MCUs/ASICs, HVICs, and/or Power ICs into a single package and may not require a sensor in the system.

During the Reporting Period, the revenue breakdown by business type for the Group was as follows: MCU accounted for 69.7%, ASIC accounted for 13.1%, HVIC accounted for 11.0%, IPM accounted for 5.8%, Power IC accounted for 0.3%, 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 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

- ME core (our proprietary motor control processor core)
- Hardware-based algorithm technology
- Functional integration ability in chip products

Motor control algorithms

- Sensorless FOC algorithms
- Sensorless high-torque motor startup

Motor technology

- 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.

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, Sensors 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.

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. Several of the Company's automotive grade BLDC drive control chips have obtained AEC-Q100 automotive certification and ISO 26262 functional safety management system certification. The Company continues to refine its product certification systems, and its technical performance and product quality have earned high recognition from both upstream and downstream players in the automotive industry. 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.

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.

(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.

(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 30 June 2026, the Group achieved revenue of RMB560.9 million (corresponding period in 2025: RMB375.0 million), representing an increase of 49.6% 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) IPM; (v) Power IC; (vi) Sensor and (vii) others.

	For the six months ended 30 June					
	2026		2025		Change	
	Amount (RMB'000)	**(%)**	Amount (RMB'000)	(%)	Amount (RMB'000)	Percentage (%)
Revenue						
MCU	**390,941**	**69.7**	228,095	60.9	162,846	71.4
ASIC	**73,334**	**13.1**	66,878	17.8	6,456	9.7
HVIC	**61,952**	**11.0**	43,210	11.5	18,742	43.4
IPM	**32,618**	**5.8**	35,282	9.4	(2,664)	(7.6)
Power IC	**1,675**	**0.3**	1,202	0.3	473	39.4
Sensor	**6**	**0.0**	–	–	6	100.0
Others	**377**	**0.1**	373	0.1	4	1.1
Total revenue	**560,903**	**100.0**	**375,040**	**100.0**	**185,863**	**49.6**

MCU

During the Reporting Period, revenue from MCU products increased from RMB228.1 million in the corresponding period in 2025 to RMB390.9 million, representing an increase of 71.4%, accounting for approximately 69.7% of total revenue (for the six months ended 30 June 2025: 60.9%).

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 goods and automotive sectors.

ASIC

During the Reporting Period, revenue from ASIC products increased from RMB66.9 million in the corresponding period in 2025 to RMB73.3 million, representing an increase of 9.7%, accounting for approximately 13.1% of total revenue (for the six months ended 30 June 2025: 17.8%).

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

HVIC

During the Reporting Period, revenue from HVIC products increased from RMB43.2 million in the corresponding period in 2025 to RMB62.0 million, representing an increase of 43.4%, accounting for approximately 11.0% of total revenue (for the six months ended 30 June 2025: 11.5%).

The increase in HVIC product revenue was primarily due to an increase in our sales volume of HVIC from 81.6 million units in the first half of 2025 to 102.4 million units in the first half of 2026 as a result of increased market demand of our HVIC products in applications such as sports and leisure and smart small household appliances, which drove our HVIC sales volumes.

IPM

During the Reporting Period, revenue from IPM products decreased from RMB35.3 million in the corresponding period in 2025 to RMB32.6 million, representing a decrease of 7.6%, accounting for approximately 5.8% of total revenue (for the six months ended 30 June 2025: 9.4%).

The decrease in IPM product revenue was primarily due to the decrease in sales of IPM products with motor control function for white goods.

Power IC

Our Power IC products include MOSFET and IGBT. During the Reporting Period, revenue from Power IC products increased from RMB1.2 million in the corresponding period in 2025 to RMB1.7 million, representing an increase of 39.4%, accounting for approximately 0.3% of total revenue (for the six months ended 30 June 2025: 0.3%).

Sensor

We introduced a new Sensor product during the Reporting Period, generating revenue of RMB6,000 (for the six months ended 30 June 2025: Nil).

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 46.9% 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 from the white goods segment continued to grow. However, due to the rapid growth of revenue in the industrial and automotive sectors and the optimisation of the overall revenue structure, its proportion decreased to 15.1% 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 Reporting Period, with revenue from the industrial sector accounting for 26.2% 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 11.1%. 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.

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 RMB269.2 million (corresponding period in 2025: RMB180.4 million), representing an increase of 49.2% compared to the corresponding period in 2025. 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 RMB291.7 million, representing an increase of 49.9% from RMB194.6 million in the corresponding period in 2025. The increase in sales revenue has resulted in the growth in gross profit. The gross profit margin increased slightly from 51.9% in the corresponding period in 2025 to 52.0% in the Reporting Period, but remained at a healthy level.

Other revenue and income

Other revenue and income of the Group primarily consist of interest income, investment income from financial assets at fair value through profit or loss, 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 RMB49.1 million (corresponding period in 2025: RMB39.2 million), representing an increase of 25.3% compared with the corresponding period last year. This was primarily due to increases in bank interest income and investment income from financial assets at fair value through profit or loss.

Research and development costs

The research and development costs of the Group primarily consist of (i) employee compensation, which primarily includes 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, research and development costs amounted to RMB75.2 million (corresponding period in 2025: RMB70.7 million), representing an increase of 6.3% compared to the corresponding period last year, primarily due to: (i) the increase in employee compensation paid to our R&D personnel, primarily attributable to the rising R&D staff headcount and salaries; (ii) the increase in technical service fees; (iii) the increase in R&D material consumption; and (iv) the increase in depreciation and amortization, which is partially offset by the decrease in share-based payments.

As of the end of the Reporting Period, the Company had obtained a total of 142 patents at home and abroad, including 89 invention patents. These abundant innovation achievements continue to empower and support the Company's sustainable high-quality development.

Selling and distribution expenses

During the Reporting Period, selling and distribution expenses amounted to RMB15.5 million (corresponding period in 2025: RMB17.0 million), representing a decrease of 8.7% compared to the corresponding period last year. The selling and distribution expenses of the Group primarily consist of (i) employee compensation; (ii) share-based payments; (iii)leased property expenses; (iv) travelling and office expenses; and (v) others. The decrease in selling and distribution expenses was primarily due to the decrease in share-based payments, partially offset by the increase in employee compensation resulting from increasing sales and marketing personnel salaries and headcounts.

Administrative expenses

During the Reporting Period, administrative expenses amounted to RMB26.5 million (corresponding period in 2025: RMB21.9 million), representing an increase of 21.2% 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 employee compensation resulting from increasing administrative staff salaries and headcounts; and (ii) higher professional service fees, partially offset by a decrease in share-based payments.

Share of losses of an associate

During the Reporting Period, the share of loss of an associate amounted to RMB0.9 million (corresponding period in 2025: loss of RMB2,000).

Impairment losses on financial assets, net

During the Reporting Period, impairment losses on accounts receivable, net amounted to RMB0.8 million (corresponding period in 2025: RMB0.2 million), primarily due to an increase in trade receivables during the Reporting Period.

Other expenses

During the Reporting Period, other expenses amounted to RMB5.3 million (corresponding period in 2025: RMB1.8 million), primarily due to foreign exchange losses.

Income tax expense

During the Reporting Period, income tax expense amounted to RMB17.3 million (corresponding period in 2025: RMB5.3 million), representing an increase of 226.4% compared to the corresponding period last year, which is primarily due to (i) the parent company's corporate income tax rate transitioned from a preferential tax rate of 10% to a preferential tax rate of 15%; and (ii) the increase in income tax expense resulting from a significant increase in profit before tax.

Profit for the period

During the Reporting Period, the Group's net profit was RMB199.2 million (corresponding period in 2025: RMB116.5 million), representing an increase of 71.0% compared to the corresponding period last year. This was primarily due to the Company's continued commitment to R&D investment; its ongoing efforts to expand market channels and actively explore growth opportunities; significant growth in the industrial and automotive application sectors; and the continued improvement in the market penetration of its core products, which drove simultaneous growth in both business scale and profitability.

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 of 30 June 2026, the net property, plant and equipment of the Group amounted to RMB160.3 million, representing an increase of RMB5.0 million from RMB155.3 million as of 31 December 2025, primarily due to the acquisition of new machine equipment during the Reporting Period.

Intangible assets

The intangible assets of the Group primarily consist of software and IP license. As of 30 June 2026, the intangible assets of the Group amounted to RMB14.7 million, representing an increase of RMB5.5 million from RMB9.2 million as of 31 December 2025, primarily due to the increase in software resulting from the purchase of EDA software.

Trade 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 of 30 June 2026, the trade and bills payables of the Group amounted to approximately RMB52.9 million, representing an increase of approximately RMB21.3 million from approximately RMB31.6 million as of 31 December 2025, 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 RMB12.4 million as of 31 December 2025 to RMB10.5 million as of 30 June 2026, primarily due to the payment of rent.

Contract liabilities

Contract liabilities primarily represent payment in advance from our customers based on sales order, before delivery of products under the contracts by the Group. As of 30 June 2026, the contract liabilities of the Group amounted to approximately RMB7.9 million, representing an increase of approximately RMB3.1 million from RMB4.8 million as of 31 December 2025.

Borrowings

As of 30 June 2026, the Group had no bank or other borrowings (as of 31 December 2025: the Group had no bank or other borrowings). As such, gearing ratio is not applicable.

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 of 30 June 2026, the debt-to-asset ratio of the Group was 2.5% (the debt-to-asset ratio as of 31 December 2025 was 2.9%).

Asset pledge

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 as of 30 June 2026.

Contingent Liabilities

As of 30 June 2026, the Group did not have any material contingent liabilities.

LIQUIDITY, RESERVES, AND CAPITAL STRUCTURE

The Group maintained a sound financial position during the Reporting Period. As of 30 June 2026, the cash and cash equivalents of the Group amounted to RMB575.4 million, representing an increase of 91.9% from RMB299.8 million as of 31 December 2025, which is primarily due to the recovery upon maturity of certain 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 time deposits, 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 to moderate 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 of 30 June 2026, the total equity of the Group amounted to RMB5,233.5 million, representing an increase of RMB159.0 million from RMB5,074.5 million as of 31 December 2025, or an increase of 3.1%, which is primarily due to (i) the vesting in January 2026 of the first vesting period of the initial grant under the Company's 2024 restricted share incentive scheme (the "**2024 Restricted Share Incentive Scheme**") approved on 15 October 2024, resulting in an increase of RMB0.3 million in share capital and an increase of RMB66.2 million in capital reserves; and (ii) increase in retained profits of RMB109.4 million attributable to our profit for the period of RMB199.2 million, partially offset by (i) the final dividend in respect of the year ended 31 December 2025 declared of RMB89.8 million in 2026; and (ii) a decrease in share option reserve of RMB16.9 million.

EXCHANGE RATE RISK

The principal sales business of the Group is conducted in China, and is primarily denominated and settled in Renminbi, while we are gradually expanding into overseas markets. Procurement business is primarily 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 28 April 2026) 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. 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.

During the Reporting Period, 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 Part 2 of the CG Code.

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 of June 30, 2026, 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 they were 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[1]	Approximate percentage of interest in the relevant class of Shares[2]	Approximate percentage of interest in the total issued share capital[2]
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	37.57%	30.54%
		Interest of spouse	1,350,716 A Shares	1.44%	1.17%
		Interests held jointly with another person	20,000 A Shares	0.02%	0.02%
Total			**36,585,147 A Shares**	**39.10%**	**31.78%**
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	39.08%	31.76%
Total			**36,585,147 A Shares**	**39.10%**	**31.78%**

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 93,558,080 A Shares and 21,556,000 H Shares in issue as at June 30, 2026.

(3) As at June 30, 2026, Fortior Technology (HK) Company Limited (峰岹科技（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' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" in this section.

(4) As at June 30, 2026, Mr. Bi Lei was interested in 42,000 restricted Shares granted to him under the 2024 Restricted Share Incentive Plan entitling him to receive 42,000 A Shares subject to vesting.

(5) As at June 30, 2026, Dr. Bi Chao was interested in 14,000 restricted Shares granted to him under the 2024 Restricted Share Incentive Plan entitling him to receive 14,000 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' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES" 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.

Save as disclosed above, as of June 30, 2026, 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.

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

As of June 30, 2026, 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:

	Capacity/Nature of interest	Number and class of Shares[1]	Approximate percentage of interest in the relevant class of Shares[2]	Approximate percentage of interest in the total issued share capital of the Company[2]
Fortior HK [3]	Beneficial owner	35,154,431 A Shares (L)	37.57%	30.54%
Ms. Gao Shuai [4][5][6]	Interest of controlled corporation	1,350,716 A Shares (L)	1.44%	1.17%
	Interest of spouse	35,214,431 A Shares (L)	37.64%	30.59%
	Interest held jointly with another person	20,000 A Shares (L)	0.02%	0.02%
Shanghai Huaxin Venture Capital Partnership (Limited Partnership) [7]	Beneficial owner	11,180,273 A Shares (L)	11.95%	9.71%
Moselle Limited [7]	Interest of controlled corporation	11,180,273 A Shares (L)	11.95%	9.71%
Taikang Insurance Group, Inc. [8]	Interest of controlled corporation	2,046,100 H Shares (L)	9.49%	1.78%
Rosefinch Fund Management Co. Ltd	Investment manager	1,107,000 H Shares (L)	5.14%	0.96%
JPMorgan Chase & Co. [9]	(Note 9)	1,321,226 H Shares (L)	6.13%	1.15%
		595,518 H Shares (S)	2.76%	0.52%
		10,108 H Shares (P)	0.05%	0.01%
Cohen Steven Alan [10]	Interest of controlled corporation	1,117,100 H Shares (L)	5.18%	0.97%
Point72 Asset Management, L.P. [10]	Interest of controlled corporation	1,042,600 H Shares (L)	4.84%	0.91%
	Investment manager	74,500 H Shares (L)	0.35%	0.06%

	Capacity/Nature of interest	Number and class of Shares(1)	Approximate percentage of interest in the relevant class of Shares(2)	Approximate percentage of interest in the total issued share capital of the Company(2)
Point72 Associates, LLC (10)	Beneficial owner	1,117,100 H Shares (L)	5.18%	0.97%
Point72 Capital Advisors, Inc (10)	Interest of controlled corporation	1,117,100 H Shares (L)	5.18%	0.97%
Point72 Capital Holdings, L.P. (10)	Interest of controlled corporation	1,117,100 H Shares (L)	5.18%	0.97%
Point72 Capital International, Ltd. (10)	Interest of controlled corporation	1,117,100 H Shares (L)	5.18%	0.97%
Point72, L.P. (10)	Interest of controlled corporation	1,117,100 H Shares (L)	5.18%	0.97%
Point72 International Holdings, L.P. (10)(11)	Interest of controlled corporation	1,093,400 H Shares (L)	5.07%	0.95%

Notes:

(1) (L)–Long position, (S)–Short position, (P)–Lending pool

(2) The calculation is based on the total number of 93,558,080 A Shares and 21,556,000 H Shares in issue as at June 30, 2026.

(3) As at June 30, 2026, 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 June 30, 2026, 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.

(7) As at June 30, 2026, 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) Taikang Insurance Group, Inc. is deemed to be interested in the 2,046,100 H Shares. Taikang Asset Management (Hong Kong) Company Limited is wholly-owned by Taikang Asset Management Company Limited, an indirect wholly-owned subsidiary of Taikang Insurance Group, Inc. Taikang Life Insurance Co., Ltd. is wholly-owned by Taikang Insurance Group, Inc. By virtue of the SFO, Taikang Insurance Group, Inc. is deemed to be interested in the Shares held by its subsidiary.

(9) According to the Disclosure of Interests of Corporate Substantial Shareholder Notice filed by JPMorgan Chase & Co. on June 11, 2026, the interests held by JPMorgan Chase & Co. were held in the following capacities:

Capacity	Number of Shares
Beneficial owner	612,818 H Shares (L)
Beneficial owner	595,518 H Shares (S)
Person having a security interest in shares	698,300 H Shares (L)
Approved lending agent	10,108 H Shares (P)

(10) According to the Disclosure of Interests of Corporate Substantial Shareholder Notice filed by Point72 Associates, LLC on June 11, 2026, Point72 Associates, LLC held 1,117,100 H Shares (L). Point72 Associates, LLC is controlled by Point72 Capital International, Ltd., which is controlled by Point72 Asset Management, L.P. Point72 Asset Management, L.P. is controlled by Point72, L.P., which is controlled by Point72 Capital Holdings, L.P. and Point72 Capital Advisors, Inc.. Steven Alan Cohen is the sole shareholder of Point72 Capital Advisors, Inc. By virtue of the SFO, Steven Alan Cohen, Point72 Capital Advisors, Inc., Point72 Capital Holdings, L.P., Point72, L.P., Point72 Asset Management, L.P. and Point72 Capital International, Ltd. are deemed to be interested in the 1,117,100 H Shares held by Point72 Associates, LLC.

(11) The shareholding information of Point72 International Holdings, L.P. set out above is based on the Disclosure of Interests of Corporate Substantial Shareholder Notice filed on June 15, 2026, which disclosed an interest in 1,093,400 H Shares (L).

Save as disclosed above, as of June 30, 2026, 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 overseas listed foreign shares in the share capital of the Company (the "**H Share(s)**") were listed on the Stock Exchange on July 9, 2025 and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") has been applicable to the Company since then.

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all Directors, each Director has confirmed that they have complied with the required standards set out in the Model Code throughout the Reporting Period, 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 (the "**Listing**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on July 9, 2025 (the "**Listing Date**") 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 issue fees and related expenses, the total net proceeds from the Listing (the "**Net Proceeds**") amounted to approximately HK$2,467.2 million. As of the date of this report, there has been no change 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**").

During the Reporting Period, the Group utilized approximately HK$151.0 million of the net proceeds in the same manner, allocation, and proportions as described in the Prospectus. Details of the use of the net proceeds during such period are set forth below:

	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 from the Listing Date to December 31, 2025 Approximate (HK$ million)	Net Proceeds unutilized as at December 31, 2025 Approximate (HK$ million)	Actual use of Net Proceeds during the Reporting Period Approximate (HK$ million)	Net Proceeds unutilized as at June 30, 2026 balance Approximate (HK$ million)	Expected timeline of full utilization[1]
Enhancing our R&D and innovation capabilities	838.8	34%	17.9	820.9	62.2	758.7	At the end of 2030 or before
Further enriching our product portfolio and expanding downstream application	246.7	10%	1.6	245.1	8.4	236.7	At the end of 2030 or before
Expanding our overseas sales network and promoting our products in overseas markets	394.8	16%	–	394.8	0.3	394.5	At the end of 2030 or before
Strategic investments and/or acquisition to achieve our long-term growth strategies	740.2	30%	–	740.2	–	740.2	At the end of 2030 or before
Working capital and general corporate uses [2]	246.7	10%	165.1	81.6	80.1	1.5	At the end of 2030 or before
Total	2,467.2	100%	184.6	2,282.6	151.0	2,131.6	

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.

(2) Working capital and general corporate uses mainly include: (i) HK$210.8 million for the procurement of raw materials and packaging and testing service fees; (ii) HK$15.8 million for employee remuneration; (iii) HK$9.3 million for professional service fees; and (iv) HK$9.3 million for other general corporate expenses, such as travel and office expenses, and property rental expenses.

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 June 30, 2026, 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.

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.

SIGNIFICANT INVESTMENTS HELD 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, and investments in unlisted funds from time to time (including during the financial year ended December 31, 2025 and the six months ended June 30, 2026) without utilizing any proceeds from the Listing.

As at December 31, 2025, the Group held (a) debt investments at fair value through other comprehensive income amounting to RMB1,003,918,000; and (b) financial assets at fair value through profit or loss amounting to RMB1,069,437,000. Such investments included (i) negotiable certificates of deposit purchased from financial institutions (listed as debt investments at fair value through other comprehensive income), (ii) structured deposits of RMB900,137,000 and wealth management products of RMB161,215,000 purchased from financial institutions (listed as financial assets at fair value through profit or loss), and (iii) unlisted fund investment of RMB8,085,000 (listed as financial assets at fair value through profit or loss). As at December 31, 2025, the total balance of the above investments represented approximately 39.69% of the total assets of the Group.

As at June 30, 2026, the Company recorded (a) debt investments at fair value through other comprehensive income amounting to RMB750,149,000; and (b) financial assets at fair value through profit or loss amounting to RMB991,849,000. Such investments included (i) negotiable certificates of deposit purchased from financial institutions (listed as debt investments at fair value through other comprehensive income), (ii) structured deposits of RMB752,666,000 and wealth management products of RMB181,098,000 purchased from financial institutions (listed as financial assets at fair value through profit or loss), and (iii) unlisted fund investment of RMB58,085,000 (listed as financial assets at fair value through profit or loss). As at June 30, 2026, the total balance of the above investments represented approximately 32.44% of the total assets of the Group.

The Group's negotiable certificates of deposit generally have investment terms of one to three years, while its structured deposits and wealth management products are short-term cash management investments with typical maturities ranging from approximately one month to one year. The Group's unlisted fund investments are long-term investments with typical operating term of 8 years.

In respect of such securities investment activities, the Company has established investment policy which permits the following types of investments:

- Conduct cash management on temporarily idle A share raised fund. Within the limits authorized by the Board, investments in products with high safety and liquidity (including, but not limited to, fixed-term deposits, call deposits, structured deposits, time deposits, and certificates of deposit) are permitted.
- Conduct cash management on temporarily idle proprietary fund. Within the limits authorized by the board of directors, purchase of investment products offered by financial institutions under lawful operation with high security and high liquidity are permitted.
- Unlisted funds investment, with the investment scope covering enterprises engaged in businesses related to the semiconductor industry as well as the upstream and downstream sectors of the semiconductor industry chain, including the industrial, automotive, new energy, high-tech, artificial intelligence and electronics sectors (including software and services).

The Company's investment policy prohibits the following types of investments:

- Products issued by non-regulated institutions
- Any investment that would seriously impair the Company's liquidity or working capital position.

Investments in large-denomination certificates of deposit, wealth management products and structured deposits: (i) provide the Company with a better rate of return than that typically offered by Chinese commercial banks on demand deposits; (ii) the subscriptions are funded by the Company's temporarily idle proprietary funds and idle A share raised fund, and will not affect the Company's operations; (iii) the investment term will not affect the high liquidity of the Company's funds; and (iv) the investment returns therefrom will increase the Company's profits.

Investing in unlisted funds allows the Company to leverage the experience and resources of professional investment institutions, broaden its investment methods and channels, capitalize on investment opportunities in innovative application areas within the Company's own and related industries, and optimize the Company's investment structure. At the same time, it strengthens industrial synergies with partners, continuously empowers the high-quality development of the Company's core business, and enhances the Company's overall competitive strength. Therefore, the Company believes that this investment is consistent with its corporate strategy.

Investment risk management and control measures

1. *Risk management and investment criteria*

The Group strictly adheres to the following criteria for selecting financial products for investment:

- The Group carefully evaluates and ensures the legitimacy and compliance of financial products, their issuers and the channels through which we purchase such products. Specifically, our finance staff verify the authenticity, legitimacy, and transparency of product details through the issuers' official channels or websites. Issuers must hold an official license, have a good reputation within the financial industry and be among the top-ranked institutions. Transactions involving the purchase of such financial products must be conducted through the issuers' or distributor's official branches or approved online platforms, and our financial staff requires appropriate documentation to verify all transactions in order to protect our interests;

- To mitigate concentration risk and enhance portfolio diversification, we allocate our investments across multiple institutions and limit our total exposure to any single financial institution to less than 40% of our total investment amount. Our chief financial officer periodically reviews and adjusts our risk limits for investments in these financial products based on evolving market conditions and the financial strength and creditworthiness of our counterparties;

- The Group prioritize financial products issued by institutions with robust internal control frameworks and sound corporate governance practices, thereby mitigating the potential risks arising from internal misconduct or fraud at such institutions;

- If all of the above criteria are met, the Group will compare the available financial products and prioritize those with higher profit rate to optimize investment returns; and

- The Group has adopted internal guidelines and considerations to help us select from various financial products (including negotiable certificates of deposit, structured deposits and wealth management products) for investment purposes. The negotiable certificates of deposit and structured deposits in which we invest must be principal-protected products to ensure the safety of our principal. We typically make selective decisions to invest in these products only when we have excess liquidity and are seeking to generate incremental returns. These products are selected only when they are issued by institutions with an excellent reputation and robust internal controls with a clear description of the relevant asset class and risk profile provided. Prior to investing, we carefully assess the issuer's liquidity, transparency, and creditworthiness.

When selecting unlisted funds for investment, the following aspects are primarily evaluated:

(1) We generally choose to invest in the semiconductor upstream and downstream sectors or high-tech sectors in which the Company operates, where there is a certain degree of synergy with the Company;

(2) The fund manager is a well-known domestic or international institution with a track record of successful investments in the relevant field, which helps improve the fund's rate of return;

(3) The fund must complete business registration and related filing procedures and comply with requirements of relevant laws and regulations;

(4) Fund management fees and excess returns are in line with market rates; and

(5) Investment limits shall be approved by the general manager's office meeting or the board of directors or the shareholders' meeting, in accordance with the relevant requirements for A shares, Hong Kong listed shares, and the Company's articles.

2. *Approval and authorization procedures*

The Company has established strict approval process for investments in financial products, which includes the following:

- In general, our investments on financial products (cash management products) must be made within the annual limits and product categories approved by the board of directors and the shareholders' meeting. For unlisted funds, investment amounts are subject to approval by the general management office meeting or the board of directors or the shareholders' meeting;

- Our finance department compares various factors of potential financial products, which may include product characteristics, pricing, risk, liquidity, the issuer's creditworthiness, historical performance and expected returns, and reports these to our chief financial officer and chief executive officer for review and approval; unlisted funds are analyzed by relevant professionals, who prepare feasibility analysis reports for review and approval by our chief financial officer and chief executive officer.

- New products or new investment contracts or agreements must be reviewed and approved by the chief financial officer, the legal department and the chief executive officer;

- Payment requests related to the purchase of financial products or fund investments must be documented in official records and further approved by the chief financial officer and the chief executive officer prior to the investment transaction; and

- Before entering into any new investments, the relevant department will assess the potential implications under Chapter 14 of the Listing Rules, including whether any reporting, announcement or shareholder approval requirements may be triggered, and will report such assessment to the Board as part of the internal approval process.

3. *Ongoing monitoring and management*

To ensure ongoing monitoring and proper management of investments in financial products, our finance staff should forward all reconciliation statements for such investments provided by the issuing institutions to our accounting department. These statements are carefully reviewed and verified by our accounting staff to ensure accuracy, monitor ongoing investment performance, and promptly identify and address any discrepancies or irregularities. Our finance staff conduct internal reviews on financial product investments, including assessments of the Group's financial strength, market conditions, and performance relative to our risk and return objectives. If there are negative developments or changes in the issuer's creditworthiness or the product's risk profile, our chief financial officer will promptly reassess our positions and take appropriate action, including divesting or reallocating funds. Our accounting staff maintain comprehensive records and documentation of all investment decisions and monitoring activities to facilitate effective internal audits and compliance reviews.

Since the Listing, the Company has established internal policies governing the purchase of financial products, such as bank wealth management products, structured deposits and negotiable certificates of deposit. The Company processes its investments pursuant to the relevant provisions of Chapter 14 of the Listing Rules, including requirements for announcements, reporting, and/or shareholder approval (if applicable).

Except as disclosed below, the Company did not hold any significant investments during the Reporting Period (including any investments in investee companies that accounted for 5% or more of the Group's total assets as of June 30, 2026).

Name of licensed bank(s)	Outstanding principal amount/ cost as at June 30, 2026 RMB'000 (approximately)	Nature/type of product	Fair value as at June 30, 2026 RMB'000 (approximately)	Accumulated profit through comprehensive income/interest income as at June 30, 2026 RMB'000 (approximately)	Percentage to the total assets of the Group as at June 30, 2026 (approximately)
Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司)	366,000	Principal-guaranteed structured deposit with floating return, classified as financial assets at fair value through profit or loss	367,242	1,242	6.8%
Total	**366,000**		**367,242**	**1,242**	

Note: As of June 30, 2026, the total amounts of the structured deposits, wealth management products and negotiable certificates of deposit were RMB752,666,000, RMB181,098,000, and RMB750,149,000, respectively, which were purchased from different licensed banks and other authorized financial institutions under the laws of the PRC. Save for the above, the aggregate value of the structured deposits, wealth management products and the negotiable certificates of deposit purchased from each other licensed bank was less than 5% of the total assets of the Group as at June 30, 2026.

In the event that any subscription of wealth management products (including without limitation, the structured deposit products referred to above), individually or aggregated with the previous subscriptions that are of similar nature and were completed within 12 months, constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules, the Company endeavors to comply with the applicable requirements under the Listing Rules as and when necessary.

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.

In the event that any subscription of wealth management products (including without limitation, the structured deposit products referred to above), individually or aggregated with the previous subscriptions that are of similar nature and were completed within 12 months, constitute a notifiable transaction under Chapter 14 and/or a connected transaction under Chapter 14A of the Listing Rules, the Company endeavors to comply with the applicable requirements under the Listing Rules as and when necessary.

EMPLOYEE AND REMUNERATION POLICY

As at June 30, 2026, the Group had a total of 324 full-time employees (December 31, 2025: 315). During the Reporting Period, the employee remuneration of the Group included (i) employee salaries of approximately RMB72.3 million, representing an increase of 43.2% as compared to RMB50.5 million for the same period in 2025; (ii) share-based payments of approximately RMB14.8 million, representing a decrease of 57.4% as compared to RMB34.7 million for the same period in 2025. 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 June 30, 2026, the Company has one restricted share incentive plan, namely, the restricted share incentive plan approved by the Shareholders on October 15, 2024 (the "**2024 Restricted Share Incentive Plan**").

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 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 during the Reporting 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 at January 1, 2026	Granted during Reporting Period	Vested during Reporting Period	Cancelled during Reporting Period	Lapsed during Reporting Period	Outstanding as at June 30, 2026	Outstanding as an approximate percentage of the issued share capital as at June 30, 2026
(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	RMB69.22	60,000	0	18,000	0	0	42,000	0.04%
Dr. Bi Chao	Executive Director and chief technology officer	2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB69.22	20,000	0	6,000	0	0	14,000	0.01%
(ii) Senior management of the Company												
Ms. Zhang Hongmei	Finance director	2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB69.22	10,000	0	3,000	0	0	7,000	0.01%
Ms. Jiao Qianqian	Joint company secretary	2024 Restricted Share Incentive Plan	November 22, 2024	Note 2	RMB69.22	10,000	0	3,000	0	0	7,000	0.01%
Total						100,000	0	30,000	0	0	70,000	0.06%

Notes:

(1) The calculation is based on the total number of 93,558,080 A Shares and 21,556,000 H Shares in issue as of June 30, 2026.

(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) The grant price under the 2024 Restricted Share Incentive Plan takes into account the adjustment due to the dividends distributions, including the Company's distribution of cash dividends of RMB7.8 (tax inclusive) per 10 Shares to the then existing Shareholders on May 23, 2025.

(4) The 29th meeting of the second session of the Board of the Company has considered and approved the Resolution on Adjusting the Grant Price of 2024 Restricted Share Incentive Plan. As the Company's 2024 Equity Distribution Plan has been implemented, the Board has made corresponding adjustment to the grant (including reserved grants) price of the 2024 Restricted Share Incentive Plan in accordance with relevant regulations of the Management Measures, the Company's Incentive Plan and the authorization of the 2024 Second Extraordinary General Meeting of the Company, with the grant price adjusted from RMB70.00 to RMB69.22 per share.

(5) The discrepancies in the figures above are due to rounding.

(6) Under the 2024 Restricted Share Incentive Plan, the closing price of restricted A shares vested during the Reporting Period was RMB199.23 per share on the trading day immediately preceding the vesting date (January 15, 2026).

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 2024 Restricted Share Incentive Plans as at June 30, 2026:

Restricted Share Incentive Plan	Number of grantees	Date of grant	Vesting period	Grant price	Number of Restricted Shares						
					Outstanding at January 1, 2026	Granted during Reporting Period	Vested during Reporting Period	Cancelled during Reporting Period	Lapsed during Reporting Period	Outstanding as at June 30, 2026	Outstanding as an approximate percentage of the issued share capital as at June 30, 2026
2024 Restricted Share Incentive Plan	215	November 22, 2024	Note 2	RMB69.22	1,481,000	0	444,300	0	0	1,036,700	0.90%
	4	April 9, 2025	Note 3	RMB69.22	30,000	0	0	0	0	30,000	0.03%
Total					1,511,000	0	444,300	0	0	1,066,700	0.93%

Notes:

(1) The calculation is based on the total number of 93,558,080 A Shares and 21,556,000 H Shares in issue as of June 30, 2026.

(2) 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.

(3) 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.

(4) The grant price under the 2024 Restricted Share Incentive Plan takes into account the adjustment for dividends distributions of the Company, including the Company's distribution of cash dividends of RMB7.8 (tax inclusive) per 10 Shares to the then existing Shareholders on May 23, 2025.

(5) The 29th meeting of the second session of the Board of the Company has considered and approved the Resolution on Adjusting the Grant Price of 2024 Restricted Share Incentive Plan. As the Company's 2024 Equity Distribution Plan has been implemented, the Board has made corresponding adjustment to the grant (including reserved grants) price of the 2024 Restricted Share Incentive Plan in accordance with relevant regulations of the Management Measures, the Company's Incentive Plan and the authorization of the 2024 Second Extraordinary General Meeting of the Company, with the grant price adjusted from RMB70.00 to RMB69.22 per share.

(6) 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.

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

During the Reporting Period, pursuant to the 2024 Restricted Share Incentive Scheme, upon meeting the vesting conditions, a total of 474,300 shares were vested to the relevant participants, of which: the Company issued 281,300 A shares to the participants, and 193,000 treasury A shares were transferred to the eligible participants. Further details are set forth in the Company's overseas regulatory announcement dated 15 January 2026.

Save as disclosed above, during the Reporting Period, 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 held by the Company as treasury Shares (as defined in the Listing Rules)).

As at 30 June 2026, the Company did not hold any treasury shares (as defined in the Listing Rules).

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

From the last published annual report up to June 30, 2026, 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, 2026 (for the six months ended June 30, 2025: Nil).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On September 4, 2026, the Group subscribed for Structured Deposit Products with an aggregated principal amount of approximately RMB70.0 million from Bank of Jiangsu. Prior to the Latest Subscription, the Group had subscribed for Structured Deposit Products from Bank of Jiangsu, of which a principal amount of approximately RMB200.0 million remained outstanding. For details, please refer to the announcement of "DISCLOSEABLE TRANSACTION – SUBSCRIPTION OF STRUCTURED DEPOSIT PRODUCTS" as disclosed by the Company on September 4, 2026 (the "**DT Announcement**"). Unless otherwise defined herein, capitalized terms used shall have the same meanings as those defined in the DT Announcement.

Save as disclosed above, as at June 30, 2026 and up to the date of this report, the Group has no significant event after the reporting period.

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 at 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 Group, 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, 2026

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

For the six months ended June 30, 2026 – unaudited
(presented in RMB)

	Notes	**2026 (unaudited) RMB'000**	2025 (unaudited) RMB'000
REVENUE	4	**560,903**	375,040
Cost of sales		**(269,201)**	(180,448)
Gross profit		**291,702**	194,592
Other income and gains	5	**49,130**	39,183
Selling and distribution expenses		**(15,536)**	(17,012)
Administrative expenses		**(26,523)**	(21,890)
Research and development costs		**(75,154)**	(70,710)
Impairment losses on financial assets, net		**(778)**	(205)
Other expenses		**(5,264)**	(1,830)
Finance costs		**(228)**	(325)
Share of losses of an associate		**(874)**	(2)
PROFIT BEFORE TAX	6	**216,475**	121,801
Income tax expense	7	**(17,266)**	(5,290)
PROFIT FOR THE PERIOD		**199,209**	116,511
Attributable to:			
Owners of the parent		**199,209**	116,511
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic			
– for profit for the period		**RMB1.73**	RMB1.26
Diluted			
– for profit for the period		**RMB1.73**	RMB1.25

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

For the six months ended June 30, 2026 – unaudited
(presented in RMB)

	2026 (unaudited) RMB'000	2025 (unaudited) RMB'000
PROFIT FOR THE PERIOD	**199,209**	116,511
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	**(183)**	21
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(183)**	21
Other comprehensive income/(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	**15**	(189)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**15**	(189)
Other comprehensive loss for the period, net of tax	**(168)**	(168)
Total comprehensive income for the period, net of tax	**199,041**	116,343
Attributable to:		
Owners of the parent	**199,041**	116,343

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2026 – unaudited
(presented in RMB)

	Notes	30 June 2026 (unaudited) RMB'000	31 December 2025 (audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**160,297**	155,267
Right-of-use assets		**9,807**	11,707
Intangible assets		**14,679**	9,189
Investment in an associate	11	**9,284**	10,158
Equity investment designated at fair value through other comprehensive income		**409**	393
Financial assets at fair value through profit or loss	17	**58,085**	8,085
Debt investment at fair value through other comprehensive income	12	**439,945**	562,498
Deferred tax assets		**21,286**	22,690
Other non-current assets	13	**466,941**	248,488
Total non-current assets		**1,180,733**	1,028,475
CURRENT ASSETS			
Inventories	14	**216,028**	188,292
Trade receivables	15	**37,262**	12,494
Prepayments, deposits and other receivables	16	**147,914**	54,197
Financial assets at fair value through profit or loss	17	**933,764**	1,061,352
Debt investments at fair value through other comprehensive income	12	**310,204**	441,420
Tax recoverable		**13,265**	9,182
Time deposits		**1,954,604**	2,128,904
Cash and cash equivalents		**575,358**	299,803
Total current assets		**4,188,399**	4,195,644

Interim Condensed Consolidated Statement of Financial Position

As at June 30, 2026 – unaudited
(presented in RMB)

	Notes	**30 June 2026 (unaudited) RMB'000**	31 December 2025 (audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	18	**52,947**	31,604
Contract liabilities	20	**7,941**	4,849
Other payables and accruals	19	**57,530**	93,763
Lease liabilities		**4,260**	3,974
Tax payable		**815**	915
Total current liabilities		**123,493**	135,105
NET CURRENT ASSETS		**4,064,906**	4,060,539
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,245,639**	5,089,014
NON-CURRENT LIABILITIES			
Other payables and accruals	19	**2,403**	837
Lease liabilities		**6,252**	8,451
Deferred income		**3,522**	5,207
Total non-current liabilities		**12,177**	14,495
Net assets		**5,233,462**	5,074,519
EQUITY			
Equity attributable to owners of the parent			
Share capital	21	**115,114**	114,833
Treasury shares		**–**	(193)
Reserves		**5,118,348**	4,959,879
Total equity		**5,233,462**	5,074,519

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026
(presented in RMB)

	Share capital RMB'000 (Note21)	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, 2025 (audited)	114,833	(193)	4,147,331	73,278	(456)	(872)	66,656	673,942	5,074,519
Profit for the period	-	-	-	-	-	-	-	199,209	199,209
Other comprehensive income for the period:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	15	-	-	-	15
Exchange differences on translation of foreign operations	-	-	-	-	-	(183)	-	-	(183)
Total comprehensive income/(loss) for the period	-	-	-	-	15	(183)	-	199,209	199,041
Dividends declared (Note 8)	-	-	-	-	-	-	-	(89,789)	(89,789)
Share-based payments	-	193	19,828	16,859	-	-	-	-	36,880
Issue of new shares	281	-	12,530	-	-	-	-	-	12,811
Vesting of share-based payment	-	-	33,795	(33,795)	-	-	-	-	-
At June 30, 2026 (unaudited)	115,114	-	4,213,484*	56,342*	(441)*	(1,055)*	66,656*	783,362*	5,233,462

* These reserve accounts comprise the consolidated reserves of RMB5,118,348,000 in the unaudited interim condensed consolidated statement of financial position as of 30 June 2026.

Interim Condensed Consolidated Statement of Changes in Equity

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

	Share capital RMB'000 (Note 21)	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 loss, net of tax	–	–	–	–	(189)	–	–	–	(189)
Exchange differences on translation of foreign operations	–	–	–	–	–	21	–	–	21
Total comprehensive (loss)/income for the period	–	–	–	–	(189)	21	–	116,511	116,343
Dividends declared (Note 8)	–	–	–	–	–	–	–	(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

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026
(presented in RMB)

	Notes	2026 (unaudited) RMB'000	2025 (unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**216,475**	121,801
Adjustments for:			
Bank interest income	5	**(15,796)**	(3,356)
Other interest income from debt investments at fair value through other comprehensive income	5	**(12,168)**	(13,865)
Finance costs		**228**	325
Fair value gains on financial assets at fair value through profit or loss	5	**(3,764)**	(3,571)
Investment income from financial assets at fair value through profit or loss	5	**(7,325)**	(6,689)
Share of profits and losses of an associate		**874**	2
Foreign exchange losses		**3,700**	241
Loss on disposal of items of property, plant and equipment	6	**11**	1
Gain on disposal of items of right-of-use assets	6	**(1)**	–
Gain on disposal of items of intangible assets	6	**(206)**	–
Depreciation of property, plant and equipment	6	**5,147**	4,317
Depreciation of right-of-use assets	6	**2,218**	2,241
Amortisation of intangible assets	6	**1,738**	2,030
Impairment losses of financial assets, net	6	**778**	205
Write-down of inventories to net realisable value	6	**115**	1,982
Gain on disposal of a subsidiary		**–**	(167)
Equity-settled share-based payments		**14,774**	34,655
		206,798	140,151
Increase in inventories		**(27,843)**	(8,867)
Increase in trade receivables		**(25,544)**	(7,120)
Increase in prepayments, deposits and other receivables		**(93,718)**	(1,468)
Increase in trade and bills payables		**21,343**	34,996
Decrease in other payables and accruals		**(18,337)**	(29,577)
Decrease in deferred income		**(1,685)**	(643)
Cash generated from operations		**61,014**	127,472
Interest received		**743**	981
Income tax paid		**(17,909)**	(6,550)
Net cash flows from operating activities		**43,848**	121,903

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026
(presented in RMB)

	2026 (unaudited) RMB'000	2025 (unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of wealth management products	**(1,487,000)**	(1,341,955)
Proceeds from sale of wealth management products	**1,609,953**	1,248,708
Investment income from financial assets at fair value through profit or loss	**15,649**	13,553
Purchases of time deposits	**(1,080,162)**	(182,241)
Proceeds from time deposits	**1,255,105**	172,939
Interest received from time deposits	**11,103**	1,671
Purchases of debt investments at fair value through other comprehensive income	**(71,723)**	(70,561)
Proceeds from redemption of debt investments at fair value through other comprehensive income	**311,316**	–
Interest received from debt investments at fair value through other comprehensive income	**26,344**	–
Purchases of property, plant and equipment	**(222,628)**	(10,407)
Additions of intangible assets	**(3,440)**	(2,110)
Payment for cooperative building construction	**(5,955)**	(5,529)
Addition of investment in an associate	**–**	(10,800)
Proceeds from disposal of intangible assets	**206**	–
Proceeds from disposal of a subsidiary	**–**	64
Purchase of financial assets at fair value through profit or loss	**(50,000)**	(8,400)
Net cash flows from/(used in) investing activities	**308,768**	(195,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	**(72,975)**	(71,893)
Lease payments	**(2,569)**	(1,885)
Payment for deferred listing expenses	**–**	(17,528)
Settlements under instalment payables	**–**	(1,951)
Payments of long-term payables	**(835)**	–
Net cash flows used in financing activities	**(76,379)**	(93,257)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**276,237**	(166,422)
Cash and cash equivalents at beginning of period	**299,803**	297,355
Effect of foreign exchange rate changes, net	**(682)**	(114)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**575,358**	130,819
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AS STATED IN THE STATEMENT OF CASH FLOWS	**575,358**	130,819

Notes to Interim Condensed Consolidated Financial Information

1. CORPORATE INFORMATION

Fortior Technology (Shenzhen) Co., Ltd. (the "**Company**") is a joint stock company with limited liability established in People's Republic of China ("**PRC**") on 21 May 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 20 April 2022. Its H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 9 July 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 commercialisation of brushless direct current ("**BLDC**") motor control and drive products and solutions.

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2026 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

The unaudited 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 except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

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

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) *Annual Improvements to IFRS Accounting Standards* – Volume 11 set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates as one business unit based on its products, and has one reportable operating segment, which principally engages in the development and commercialisation of BLDC 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 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Chinese Mainland*	**470,088**	345,722
Other countries/regions**	**90,815**	29,318
Total revenue	**560,903**	375,040

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

* Chinese Mainland 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 Chinese Mainland. 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 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Customer A	**87,420**	*
Customer B	**70,342**	52,210
Customer C	*****	38,889

* Less than 10% of the Group's revenue.

4. REVENUE

Revenue from contracts with customers

(i) Disaggregated revenue information

	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Types of goods		
MCU	**390,941**	228,095
ASIC	**73,334**	66,878
HVIC	**61,952**	43,210
IPM	**32,618**	35,282
Power IC	**1,675**	1,202
Sensor	**6**	–
Others	**377**	373
Total revenue from contracts with customers	**560,903**	375,040
Geographical markets		
Chinese Mainland	**470,088**	345,722
Other countries/regions	**90,815**	29,318
Total revenue from contracts with customers	**560,903**	375,040
Timing of revenue recognition		
Goods transferred at a point in time	**560,903**	375,040

(ii) Performance obligations

Sale of products

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

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Other income		
Bank interest income	**15,796**	3,356
Other interest income from debt investments at fair value through other comprehensive income	**12,168**	13,865
Investment income from financial assets at fair value through profit or loss	**7,325**	6,689
Value-added tax-additional deduction	**5,507**	3,854
Government grants*	**3,176**	7,463
	43,972	35,227
Other gains		
Fair value gains on financial assets at fair value through profit or loss	**3,764**	3,571
Others	**1,394**	385
	5,158	3,956
Total	**49,130**	39,183

* The Group has received certain government grants related to assets and income. Certain of the grants have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions.

6. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories sold*	**269,201**	180,448
Depreciation of property, plant and equipment**	**5,147**	4,317
Depreciation of right-of-use assets**	**2,218**	2,241
Amortisation of intangible assets**	**1,738**	2,030
Research and development costs	**75,154**	70,710
Lease payments not included in the measurement of lease liabilities	**321**	367
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Salaries, bonuses and other benefits	**60,221**	41,389
Pension scheme contributions, social welfare and other welfare ***	**10,130**	8,066
Equity-settled share-based payments	**13,989**	33,077
	84,340	82,532
Impairment of financial assets, net:		
Impairment of trade receivables	**776**	214
Impairment/(reversal of impairment) of other receivables	**2**	(9)
	778	205
Foreign exchange losses ****	**5,227**	1,829
Write-down of inventories to net realisable value *	**115**	1,982
Loss on disposal of items of property, plant and equipment ****	**11**	1
Gain on disposal of items of right-of-use assets	**(1)**	–
Gain on disposal of items of intangible assets	**(206)**	–

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

** The depreciation of property, plant and equipment and right-of-use assets, and the amortisation of intangible assets are included in "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in the unaudited 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.

**** These items are included in "Other expenses" in unaudited interim condensed consolidated statement of profit or loss.

7. INCOME TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax expense		
Chinese Mainland	**17,400**	11,599
Over provision in prior years from the Chinese Mainland	**–**	(1,469)
	17,400	10,130
Deferred tax credit		
Chinese Mainland	**(896)**	(4,817)
Elsewhere	**762**	(23)
	(134)	(4,840)
Total tax charge for the period	**17,266**	5,290

8. DIVIDENDS

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Final declared RMB0.78 (2025: RMB0.78) per share	**89,789**	71,893

Pursuant to the resolutions of the shareholders of the Company dated 20 May 2026, the Company declared a final dividend of RMB0.78 (22 April 2025: RMB0.78) per share (excluding A shares as treasury shares), amounting to a total of approximately RMB89,789,000 (six months ended 30 June 2025: RMB71,893,000).

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

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

The calculation of the diluted earnings per share amounts 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 outstanding 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 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in basic and diluted earnings per share calculation	**199,209**	116,511

	Six months ended 30 June	
	2026	2025
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**115,035,030**	92,170,380
Effect of dilution – weighted average number of ordinary shares:		
Type II restricted shares*	**282,273**	963,604
Total	**115,317,303**	93,133,984

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

10. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2026, the Group acquired assets for a consideration of RMB10,192,000 (30 June 2025: RMB6,259,000) and had disposed of assets with a net book value of RMB11,000 (30 June 2025: RMB1,000).

11. INVESTMENT IN AN ASSOCIATE

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Share of net assets	**9,284**	10,158

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 30 June 2026	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 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current asset		
Negotiable certificates of deposit	**439,945**	562,498
Current asset		
Negotiable certificates of deposit	**310,204**	441,420

The above certificates of deposit are issued by banks in Chinese Mainland. 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.

13. OTHER NON-CURRENT ASSETS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Prepayment for purchase of property, plant and equipment	**11,895**	6,681
Cooperative building construction*	**39,916**	34,243
Prepayment for purchase of a building**	**415,130**	207,564
Total	**466,941**	248,488

* 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 entered into by the Group and all the independent participating parties in 2022 (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.

** It represents a prepayment for acquisition of a building amounted to RMB415,130,000 (31 December 2025: RMB207,564,000). On 25 December 2025, the Group entered into an agreement with Shenzhen Qianhai Shekou Qidi Industrial Co., Ltd. (深圳市前海蛇口啟迪實業有限公司), an independent third party, to acquire a building for a consideration of RMB709,731,000. The acquisition is expected to complete in 2027.

14. INVENTORIES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Raw materials	**17,322**	32,255
Finished goods	**60,784**	78,119
Outsourced Processing Materials	**129,289**	77,879
Goods in transit	**8,633**	39
Total	**216,028**	188,292

As at 30 June 2026, the inventories are net of a write-down of approximately RMB8,500,000 (31 December 2025: RMB8,779,000).

15. TRADE RECEIVABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Trade receivables	**38,424**	12,880
Allowance for expected credit losses	**(1,162)**	(386)
Total	**37,262**	12,494

The Group's trading terms with its customers are mainly received in advance, 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 minimise 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 30 June 2026, based on the billing date and net of allowance for expected credit losses, is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within one year	**37,148**	12,494
Over one year	**114**	–
	37,262	12,494

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

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
At the beginning of period/year	**386**	174
Impairment of losses, net (note 6)	**776**	212
At the end of period/year	**1,162**	386

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Prepayments	**123,226**	25,553
Deposits and other receivables *	**2,777**	2,487
VAT deductible	**21,978**	26,222
	147,981	54,262
Less: Impairment of other receivables **	**(67)**	(65)
Total	**147,914**	54,197

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

** As at 30 June 2026, the impairment of the financial assets included in prepayments, other receivables and other assets were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Non-current asset		
Unlisted fund investments, at fair value:		
Shanghai Huake Zhixin Venture Capital Partnership (Limited Partnership)	**8,085**	8,085
Tianjin Huaxin Hongxin Venture Capital Partnership (Limited Partnership)	**50,000**	–
Subtotal	**58,085**	8,085
Current asset		
Wealth management products	**181,098**	161,215
Structured deposits	**752,666**	900,137
Subtotal	**933,764**	1,061,352
Total	**991,849**	1,069,437

The unlisted fund investment at 30 June 2026 was classified as financial asset at fair value through profit or loss as it was held for trading.

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

18. TRADE AND BILLS PAYABLES

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Bills payable	**27,061**	11,437
Trade payables	**25,886**	20,167
Total	**52,947**	31,604

An ageing analysis of the trade and bills payables as at 30 June 2026, based on the date of goods received from the suppliers, is as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Within one year	**52,947**	31,604

19. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Current liabilities		
Deposits payable	**4,623**	4,252
Payroll payables	**17,155**	43,355
Accruals and other payables	**27,986**	40,370
Instalments payable due within one year	**3,130**	811
Other tax payables	**4,636**	4,975
Total	**57,530**	93,763
Non-current liabilities		
Instalments payable for purchase of intangible assets	**2,403**	837
Total	**2,403**	837

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 payables included in the above balances are non-interest-bearing.

20. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Sale of products	**7,941**	4,849

Contract liabilities include short-term advances received to deliver products.

21. SHARE CAPITAL

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Registered, issued and fully paid: 115,114,080 (31 December 2025: 114,832,780) ordinary shares	**115,114**	114,833

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital** RMB'000
At 1 January 2025	92,363,380	92,363
Issue of new shares	21,556,000	21,556
Exercise of share options	913,400	914
At 31 December 2025 and 1 January 2026	114,832,780	114,833
Exercise of share options*	281,300	281
At 30 June 2026	115,114,080	115,114

* In June 2026, 281,300 share options were exercised, and all restricted shares were vested under the 2024 Equity incentive plan as the vesting conditions were satisfied.

22. COMMITMENTS

The Group had the following capital commitments as at 30 June 2026:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Contracted, but not provided for:		
Property, plant and equipment	**298,694**	508,881
Cooperative building construction	**49,606**	55,560
Total	**348,300**	564,441

23. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	Note	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Associate:			
Sales of intangible assets	(i)	**206**	–

Note:

(i) The sales of intangible assets to the associate were made according to the published prices and conditions agreed between the associate.

(b) Compensation of key management personnel of the Group

	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Salaries, allowances and benefits in kind	**1,961**	1,936
Performance related bonuses	**329**	–
Pension scheme contributions	**146**	136
Share-based payments	**971**	1,977
Total	**3,407**	4,049

24. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 30 June 2026 as follows:

	As at 30 June 2026 RMB'000 (unaudited)	As at 31 December 2025 RMB'000 (audited)
Financial assets		
Financial assets at fair value through profit or loss:		
Financial assets at fair value through profit or loss	**991,849**	1,069,437
Financial assets at fair value through other comprehensive income:		
Debt investments at fair value through other comprehensive income	**750,149**	1,003,918
Equity investments designated at fair value through other comprehensive income	**409**	393
	750,558	1,004,311
At amortised cost:		
Cash and cash equivalents	**575,358**	299,803
Time deposits	**1,954,604**	2,128,904
Trade receivables	**37,262**	12,494
Financial assets included in prepayments, deposits and other receivables	**2,710**	2,422
	2,569,934	2,443,623
Financial liabilities		
At amortised cost:		
Trade and bills payables	**52,947**	31,604
Financial liabilities included in other payables and accruals	**38,142**	46,270
Lease liabilities	**10,512**	12,425
	101,601	90,299

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 director. 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 Chinese Mainland. 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.

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 30 June 2026 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	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	–	–	409	409
Debt investments at fair value through other comprehensive income	–	750,149	–	750,149
Financial assets at fair value through profit or loss	–	991,849	–	991,849
Total	–	1,741,998	409	1,742,407

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

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2025 (audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	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	–	–	393	393
Debt investments at fair value through other comprehensive income	–	1,003,918	–	1,003,918
Financial assets at fair value through profit or loss	–	1,069,437	–	1,069,437
Total	–	2,073,355	393	2,073,748