# 廣東天域半導體股份有限公司
# GUANGDONG TIANYU SEMICONDUCTOR CO., LTD.

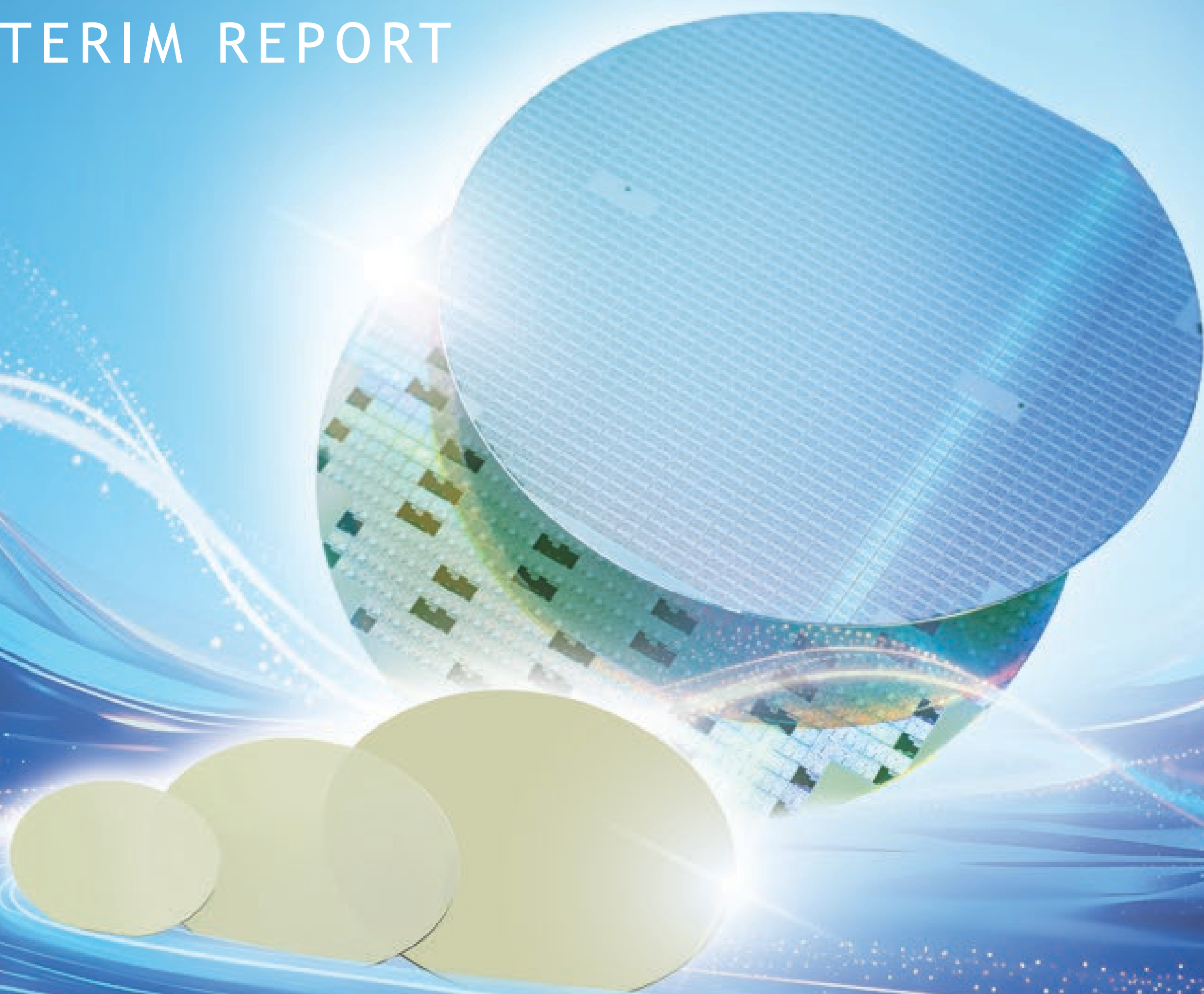
TYSiC

（於中華人民共和國註冊成立的股份有限公司）

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

股份代號 Stock code：2658

# 2026 中期報告
# INTERIM REPORT



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Director

Mr. Li Xiguang *(Chairman of the Board; General Manager)*

### Non-executive Directors

Mr. Au Yeung Chung
Mr. Jiang Dacai

### Independent Non-executive Directors

Mr. He Zhengsheng
Ms. Li Min
Mr. Vincent Chin

## BOARD COMMITTEES

### Audit Committee

Ms. Li Min *(Chairlady)*
Mr. He Zhengsheng
Mr. Jiang Dacai

### Remuneration Committee

Mr. He Zhengsheng *(Chairman)*
Mr. Au Yeung Chung
Ms. Li Min

### Nomination Committee

Mr. He Zhengsheng *(Chairman)*
Mr. Li Xiguang
Ms. Li Min

### Strategic and ESG Committee

Mr. Li Xiguang *(Chairman)*
Mr. Au Yeung Chung
Mr. He Zhengsheng

## JOINT COMPANY SECRETARIES

Mr. Li Zhuoxing
Mr. Chan Pak Lun

## AUTHORIZED REPRESENTATIVES

Mr. Li Xiguang
Mr. Chan Pak Lun

## AUDITOR

KPMG
*Certified Public Accountants*
*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

## LEGAL ADVISORS

As to Hong Kong Law
DeHeng Law Offices (Hong Kong) LLP
28/F, Henley Building
5 Queen's Road Central
Central
Hong Kong

Room 2505-06, 25/F
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No. 16–18 Queen's Road
Central
Hong Kong

Room 3507, 35/F
Edinburgh Tower
The Landmark
15 Queen's Road
Central
Hong Kong

As to PRC Law
DeHeng Law Offices (Shenzhen)
Storey 11, Section B Anlian Plaza
No. 4018, Jintian Road
Shenzhen, Guangdong Province
PRC

## COMPLIANCE ADVISOR

Caitong International Capital Company Limited
*(a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities)*
Unit 2401–05, 24/F
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

## PRINCIPAL BANKS

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Nancheng District
Dongguan
Guangdong Province
PRC

Dongguan Bank Co., Ltd. Dongguan Branch
Rooms 101, 3801, 3901, 4001
Guomao Center Building 1
Dongcheng Street, No. 1 Hongfu East Road
Dongguan
Guangdong Province
PRC

China CITIC Bank Co., Ltd. Dongguan Branch
1/F and 13/F-16/F, Nanfeng Center Building
No. 106 Hongfu Road
Nancheng District
Dongguan
Guangdong Province
PRC

## REGISTERED OFFICE

No. 5 Industrial North First Road
Songshan Lake Zone
Dongguan
Guangdong Province
PRC

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 5 Industrial North First Road
Songshan Lake Zone
Dongguan
Guangdong Province
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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5 Queen's Road Central
Central
Hong Kong

## H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

## INVESTOR RELATIONS

Email: tydb@sicty.com

## COMPANY'S WEBSITE

https://www.sicty.com

## STOCK CODE

02658

# DEFINITIONS

In this interim report, the following expressions have the meanings set out below unless the context otherwise requires:

| | |
|---|---|
| "Articles" or "Articles of Association" | the articles of association of our Company adopted on May 19, 2026, as amended from time to time |
| "Audit Committee" | the audit committee of the Board |
| "Auditor" | KPMG, the external auditor of the Company |
| "Board" or "Board of Directors" | the board of Directors of the Company |
| "CG Code" | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| "Chairman" | chairman of the Board |
| "China" or "PRC" | the People's Republic of China, which, for the purposes of this interim report and unless the context otherwise requires, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan of China herein |
| "Company" or "our Company" or "the Company" | Guangdong Tianyu Semiconductor Co., Ltd. (廣東天域半導體股份有限公司) (formerly known as Dongguan Tianyu Semiconductor Technology Co., Ltd.* (東莞市天域半導體科技有限公司) and Dongguan Tianyu Silicon Carbide Technology Co., Ltd.* (東莞市天域碳化硅科技有限公司), a limited liability company established in the PRC on January 7, 2009 and subsequently converted into a joint stock company with limited liability on November 8, 2022, whose H Shares were listed on the Stock Exchange on December 5, 2025 (Stock code: 2658) |
| "Controlling Shareholder(s)" | has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, collectively refers to Mr. Li Xiguang (李錫光), Mr. Au Yeung Chung (歐陽忠), Ms. Su Qin (蘇琴), Dongguan Tianyu Gongchuang Investment Consulting Co., Ltd.* (東莞市天域共創投資諮詢有限公司), Dongguan Dinghong Investment Consulting Center (Limited Partnership)* (東莞市鼎弘投資諮詢中心（有限合夥）), Dongguan Runsheng Investment Consulting Center (Limited Partnership)* (東莞市潤生投資諮詢中心（有限合夥）) and Dongguan Wanghe Investment Consulting Center (Limited Partnership)* (東莞市旺和投資諮詢中心（有限合夥）), as further detailed in the section headed "Relationship with Our Controlling Shareholders" in the Prospectus |
| "Dinghong Investment" | Dongguan Dinghong Investment Consulting Center (Limited Partnership)* (東莞市鼎弘投資諮詢中心（有限合夥）), a limited partnership established in the PRC on August 6, 2020, which is held by 45 partners, with Tianyu Gongchuang as the executive partner and general partner holding 1% of partnership interest, and 44 limited partners holding 99% of partnership interest in aggregate, including five individuals who are Directors or members of senior management of our Company holding approximately 63.64% of partnership interest in aggregate and 39 current or former employees of our Group or initial investors of the ESOP platforms who are independent third parties holding approximately 35.36% of partnership interest in aggregate. Dinghong Investment is one of our ESOP Platforms and one of our Controlling Shareholders |

| | |
|---|---|
| "Director(s)" | director(s) of the Company |
| "ESOP Platforms" | Dinghong Investment, Runsheng Investment and Wanghe Investment |
| "Global Offering" | has the meaning ascribed to it in the Prospectus |
| "Group", "our Group", "the Group", "we", "us", or "our" | our Company and our subsidiaries |
| "H Share(s)" | ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Main Board of the Stock Exchange |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong dollars" or "HK dollars" or "HK$" or "HK cents" | Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong |
| "Latest Practicable Date" | September 17, 2026, being the latest practicable date prior to the publication of this interim report for ascertaining certain information contained herein |
| "Listing" | listing of the H Shares on the Main Board of the Stock Exchange |
| "Listing Date" | December 5, 2025, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Main Board" | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange |
| "Model Code" | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| "Prospectus" | the prospectus of the Company dated November 27, 2025 |
| "Reporting Period" | the six months ended June 30, 2026 |
| "RMB" | Renminbi, the lawful currency of the PRC |

| | |
|---|---|
| "Runsheng Investment" | Dongguan Runsheng Investment Consulting Center (Limited Partnership)* (東莞市潤生投資諮詢中心(有限合夥)), a limited partnership established in the PRC on August 5, 2020, which is held by 41 partners, with Tianyu Gongchuang as the executive partner and general partner holding 1% of partnership interest, and 40 limited partners holding 99% of partnership interest in aggregate, including two individuals who are Directors holding approximately 61.55% of partnership interest in aggregate and 38 current or former employees of our Group or initial investors of the ESOP platforms who are independent third parties holding approximately 37.45% of partnership interest in aggregate. Runsheng Investment is one of our ESOP Platforms and one of our Controlling Shareholders |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| "Share(s)" | ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each |
| "Shareholder(s)" | holder(s) of the Shares |
| "Southern Semiconductor" | Dongguan Southern Semiconductor Technology Co., Ltd.* (東莞南方半導體科技有限公司), a limited liability company established in the PRC on November 23, 2016, which is a direct non-wholly owned subsidiary of our Company |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Tianyu Gongchuang" | Dongguan Tianyu Gongchuang Investment Consulting Co., Ltd.* (東莞市天域共創投資諮詢有限公司), a limited liability company established in the PRC on July 9, 2020, which is owned as to 99% by Mr. Li Xiguang and 1% by Ms. Su Qin, the spouse of Mr. Li Xiguang. Tianyu Gongchuang is one of our Controlling Shareholders |
| "Unlisted Share(s)" | ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are not listed or traded on any stock exchange |
| "Wanghe Investment" | Dongguan Wanghe Investment Consulting Center (Limited Partnership)* (東莞市旺和投資諮詢中心(有限合夥)), a limited partnership established in the PRC on August 5, 2020, which is held by 25 partners, with Tianyu Gongchuang as the executive partner and general partner holding 1% of partnership interest, and 24 limited partners holding 99% of partnership interest in aggregate, including two individuals who are Directors or members of senior management of our Company holding approximately 66.8% of partnership interest in aggregate and 22 current or former employees of our Group or initial investors of the ESOP platforms who are independent third parties holding approximately 32.2% of partnership interest in aggregate. Wanghe Investment is one of our ESOP Platforms and one of our Controlling Shareholders |
| "%" | per cent |

* For identification purpose only

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND OUTLOOK

### Market Overview

In the first half of 2026, the global third-generation semiconductor industry accelerated its development, and driven by a recovery in downstream market demand, certain product specifications in the industry were the first to achieve both volume and price growth. At the same time, the application boundaries of silicon carbide ("**SiC**") epitaxy continued to expand, extending from the traditional new energy vehicle sector to scenarios such as photovoltaic energy storage, charging piles and high-voltage power supplies for AI data centers, with the market opportunity consequently continuing to grow.

Amid the rapid industrial upgrading, the industry still faces phased operational challenges. In the industrial chain, the operational efficiency of epitaxial manufacturers is, to a certain extent, constrained by upstream substrate costs, while also bearing the transmission pressure of refined cost reduction from the downstream device industry. At the same time, the stringent and lengthy certification cycle for automotive-grade products has somewhat slowed the pace of large-scale rollout of high-end products. Coupled with a degree of uncertainty in the global trade environment, the industry still needs to respond prudently and steadily to various external variables.

Overall, the industry's growth momentum is strengthening and its structure is optimising. The long-term positive fundamentals remain unchanged. As a core strategic track, the third-generation semiconductor industry enjoys proactive macro policy orientation and continuously increasing industrial support. Key downstream markets such as AI data centers, new energy vehicles and charging piles continue to exhibit high prosperity. Robust end-user demand continues to unleash incremental potential for the SiC epitaxial wafer industry. Concurrently, the pace of domestic substitution in core industrial chain segments such as substrates and epitaxial equipment in China is steadily accelerating. The stability and assurance capability of the local supply chain are continuously improving, effectively hedging upstream cost pressures and building a solid foundation for the Company's sustained and stable operations and high-quality development.

### Business Overview

The Company is focused on the research, development, production, and sales of SiC epitaxial wafers. By concentrating on its principal business, the Group is building long-term core competitiveness. Leveraging a customized delivery model to accommodate diverse downstream demands, the Group is committed to becoming a globally competitive supplier of SiC epitaxial wafers.

In terms of product and production capacity layout, the Group continued the ramp-up of 8-inch SiC epitaxial-wafer production, including the phased commissioning of new production lines at the Ecological Park production base and established a complete product portfolio covering 4-inch to 8-inch specifications, catering for a wide range of application scenarios. During the Reporting Period, the Company actively deepened cooperation across the industry chain. The Company entered into a strategic cooperation agreement with Qinghe Jingyuan to jointly carry out process development and technological iteration in relation to next-generation bonding materials. The Company also entered into a strategic cooperation agreement with EYEQ Lab Inc. of South Korea in relation to the supply of SiC epitaxial wafers, with a view to expanding its international client base. Amid the intensifying market competition and intense price competition in the domestic 6-inch product market, the Group stabilised its market share in core products through continuous optimisation of production processes, improvement of product yield, and refined operational management.

In summary, for the six months ended June 30, 2026, the Company recorded revenue of RMB347.9 million, representing a year-on-year growth of 4.3%. The Company recorded a net loss of RMB122.6 million, primarily attributable to intensified pricing competition in the SiC epitaxial wafer market, including a more rapid-than-anticipated normalisation of the selling prices of 8-inch SiC epitaxial wafers as mass production was increasingly achieved across the industry, resulting in a decline in the average selling prices of SiC epitaxial wafers. Meanwhile, sales and production volumes were also affected by customary seasonal slowdown in the first quarter of 2026, compounded by the Chinese New Year holiday, resulting in weaker absorption of fixed manufacturing costs and further temporary pressure on profitability during the Reporting Period. Such losses are merely temporary operational outcomes resulting from industry cycles and capacity upgrading phases, and do not affect the core development logic of the Company's long-term technological iteration and capacity expansion.

## PRINCIPAL BUSINESS AND PRODUCTS

The Company is one of the leading SiC epitaxial wafer manufacturers in China, focusing primarily on self-manufactured SiC epitaxial wafers. An epitaxial wafer is the key raw material for the production of power semiconductor devices. Through the epitaxial process, a specific single-crystal thin film is grown on a SiC substrate, thereby producing individual epitaxial wafers with specific crystal planes and appropriate electrical, optical and mechanical properties. Through the cutting, grinding and polishing of SiC epitaxial wafers, followed by further packaging and design, power semiconductor devices can then be produced.

The Company's product offerings primarily include 4-inch, 6-inch and 8-inch SiC epitaxial wafers. SiC, as a third-generation semiconductor material, offers significant performance advantages compared to traditional materials like silicon, making it highly suitable for high-voltage, high-temperature, and high-frequency environments. The Company's products are widely applied in downstream sectors such as electric vehicles, power supply, rail transportation, photovoltaics, energy storage and smart grids.

In addition to the sales of self-manufactured SiC epitaxial wafers, leveraging its capability and expertise in R&D and mass production, the Company provides value-added SiC epitaxial wafer related services, including SiC epitaxial foundry service, epitaxial wafer cleaning service, and SiC related inspection service.

During the Reporting Period, 6-inch SiC epitaxial wafers continued to serve as the Company's mature mainstay product, supported by a solid customer certification base, and maintained stable volume shipments. The 8-inch SiC epitaxial wafer was the Company's key growth product during the Reporting Period. The production lines at the Company's Ecological Park production base in Dongguan continued to ramp up, while the proportion of shipments attributable to 8-inch products continued to increase. The proportion attributable to 4-inch products further decreased. For the six months ended June 30, 2026, in terms of core technologies, the Company continued to focus on the industrialization of SiC epitaxial wafers, utilizing 4H-SiC thick-film rapid epitaxial growth technology. To meet the evolving customer demands for larger and more cost-effective materials, the Company focused on improving the stability and yield of 8-inch SiC epitaxial wafers, and is committed to their large-scale production. Compared to smaller wafers, 8-inch wafers provide a larger chip cutting area than 6-inch wafers, a lower proportion of edge loss, and a higher effective area utilization rate per wafer. In terms of production capacity, the Company's new production base at the Ecological Park site in Dongguan was put into use, positioning the Company as one of the major players in China equipped with significant production capacity for both 6-inch and 8-inch epitaxial wafers.

## OUTLOOK

Looking ahead, driven by the rising prosperity of the SiC industry, the unlocking of demand in emerging application scenarios such as AI data centers, the continuous capacity ramp-up of the Company's 8-inch SiC epitaxial wafers, and the deepening of international market presence, the Company remains committed to consolidating and expanding its leading position in China's SiC epitaxial wafer market, contributing to the global green and low-carbon energy transition and the development of the power semiconductor industry.

## FINANCIAL REVIEW

### Revenue

### *Revenue by Product Line*

During the Reporting Period, the Company generated revenue primarily from (i) sales of self-manufactured SiC epitaxial wafers; and (ii) other sales and services. The following table sets forth a breakdown of the Company's revenue by business line, in absolute amounts and as a percentage of the total revenue, for the periods indicated:

| | Six months ended June 30, | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **RMB'000** | **% of revenue** | RMB'000 | % of revenue |
| Sales of self-manufactured SiC epitaxial wafers | **294,905** | **84.8** | 292,458 | 87.7 |
| — *4-inch* | **1,091** | **0.3** | 2,589 | 0.8 |
| — *6-inch* | **146,756** | **42.2** | 185,217 | 55.5 |
| — *8-inch* | **147,058** | **42.3** | 104,652 | 31.4 |
| Other sales and services | **52,983** | **15.2** | 40,946 | 12.3 |
| **Total** | **347,888** | **100.0** | 333,404 | 100.0 |

### *Revenue by Geographical Location*

The following table sets forth a breakdown of the Company's revenue by geographical location based on the location at which the services were provided or the goods were delivered, in absolute amounts and as a percentage of the total revenue, for the periods indicated:

| | Six months ended June 30, | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **RMB'000** | **% of revenue** | RMB'000 | % of revenue |
| Chinese Mainland | **285,360** | **82.0** | 332,155 | 99.63 |
| South Korea | **60,631** | **17.4** | 150 | 0.04 |
| Others (Note) | **1,897** | **0.6** | 1,099 | 0.33 |
| **Total** | **347,888** | **100.0** | 333,404 | 100.0 |

Note: Others primarily includes Hong Kong, Japan, Taiwan and Europe.

The Company's revenue increased by 4.3% from RMB333.4 million for the six months ended June 30, 2025 to RMB347.9 million for the six months ended June 30, 2026, primarily due to (1) the year-on-year increases in sales volume driven by increased production capacity for 8-inch epitaxial wafers and stronger downstream market demand. Such revenue growth was partially offset by the decline in the average selling price of epitaxial wafers and lower sales volume of 6-inch epitaxial wafers, mainly as a result of intensified phase-specific competition in the industry; and (2) increased revenue generated from businesses such as the provision of foundry services.

Below are details of changes in our revenue by business line and revenue by geographical location:

The Company's revenue from sales of self-manufactured SiC epitaxial wafers increased by 0.8% from RMB292.5 million for the six months ended June 30, 2025 to RMB294.9 million for the six months ended June 30, 2026. This increase was primarily due to the year-on-year increases in sales volume driven by increased production capacity for 8-inch epitaxial wafers and stronger downstream market demand. Such revenue growth was partially offset by the decline in the average selling price of epitaxial wafers and lower sales volume of 6-inch epitaxial wafers, mainly as a result of intensified phase-specific competition in the industry.

The Company's revenue from other sales and services increased by 29.4% from RMB40.9 million for the six months ended June 30, 2025 to RMB53.0 million for the six months ended June 30, 2026. This was primarily due to increased revenue generated from businesses such as the provision of foundry services.

The Company's revenue generated from the Chinese Mainland decreased by 14.1% from RMB332.2 million for the six months ended June 30, 2025 to RMB285.4 million for the six months ended June 30, 2026. This was primarily driven by the decline in the average selling price of epitaxial wafers and lower sales volume of 6-inch epitaxial wafers as a result of intensified phase-specific competition in the industry.

The Company's revenue generated from countries and regions outside the Chinese Mainland increased by 4,906.2% from RMB1.2 million for the six months ended June 30, 2025 to RMB62.5 million for the six months ended June 30, 2026. This was primarily attributable to growth in the global AI computing power and data centre markets, as the Company's products successfully entered the core supply chains of AI data centres and achieved mass deliveries to leading overseas customers. The Company continues to actively expand its overseas sales and marketing network in countries such as South Korea, Japan and Europe to capture emerging market opportunities.

### Cost of Sales

The Company's cost of sales increased by 49.1% from RMB234.1 million for the six months ended June 30, 2025 to RMB349.1 million for the six months ended June 30, 2026, primarily due to (1) the year-on-year increase in the production and sales volume of 8-inch epitaxial wafers, which had higher unit costs; and (2) increased provisions for inventory write-downs, together with a substantial reduction in the benefit arising from the write-off or utilisation of previous inventory write-downs as compared with the six months ended June 30, 2025.

### Gross Loss and Gross Loss Margin

As a result of the foregoing, the Company recorded a gross loss of RMB1.2 million for the six months ended June 30, 2026, as compared to a gross profit of RMB99.3 million for the six months ended June 30, 2025. The gross loss margin was 0.3% for the six months ended June 30, 2026 (six months ended June 30, 2025: gross profit margin of 29.8%).

The turnaround from gross profit to gross loss was primarily attributable to the cumulative effect of (1) a year-on-year decrease in the average selling price of SiC epitaxial wafers as a result of supply-demand rebalancing and continued intense price competition in the market; (2) weaker absorption of fixed manufacturing costs and depreciation, as the progressive recovery in customer orders and production volume during the second quarter of 2026 did not fully offset the impact of lower production volume during the first quarter of 2026 arising from the customary seasonal slowdown and the Chinese New Year holiday; (3) a non-cash provision for write-down of inventories, mainly attributable to decreases in estimated selling prices and the higher inventory balance as at June 30, 2026 compared with that as at December 31, 2025; and (4) a substantial reduction in the benefit arising from the write-off or utilisation of previous inventory write-downs as compared with the six months ended June 30, 2025.

Below are breakdowns of gross loss and gross loss margin by business line:

- **Sales of self-manufactured SiC epitaxial wafers:** The gross profit from this segment amounted to RMB8.9 million with a gross profit margin of 3.0% (six months ended June 30, 2025: gross profit of RMB113.3 million and gross profit margin of 38.8%). This was driven by the year-on-year decrease in the average selling price of SiC epitaxial wafers, increased provisions for write-down of inventories and a substantial reduction in the benefit arising from the write-off or utilisation of previous inventory write-downs as compared with the six months ended June 30, 2025.

- **Other sales and services:** The gross loss from this segment amounted to RMB10.1 million with a gross loss margin of 19.1% (six months ended June 30, 2025: gross loss of RMB14.0 million and gross loss margin of 34.2%). This was primarily due to the increased volume of SiC epitaxial wafers processed under foundry services, which reduced the fixed costs allocated to such services.

### Other Net Income

The Company's other net income primarily consists of (i) government grants; (ii) net foreign exchange (loss)/gain; (iii) interest income from bank deposits; and (iv) loss on disposals of property, plant and equipment.

The Company's other net income decreased by 76.8% from RMB17.1 million for the six months ended June 30, 2025 to RMB4.0 million for the six months ended June 30, 2026. This was primarily due to an increase in net foreign exchange losses arising from the depreciation of the Hong Kong dollar against the Renminbi in respect of the Group's Hong Kong dollar-denominated funds.

### Selling and Distribution Expenses

The Company's selling and distribution expenses primarily consist of (i) sample fees; (ii) employee expenses; (iii) business entertainment expenses; (iv) share-based payment expenses; and (v) travel expenses.

The Company's selling and distribution expenses increased by 6.7% from RMB9.1 million for the six months ended June 30, 2025 to RMB9.7 million for the six months ended June 30, 2026. This was primarily due to the Company's increased promotional and marketing efforts during the Reporting Period.

### Administrative and Other Operating Expenses

The Company's administrative and other operating expenses primarily consist of (i) provision/(reversal of provision) for impairment losses on financial assets; (ii) employee expenses; (iii) professional fees; and (iv) share-based payment expenses.

The Company's administrative and other operating expenses increased by 343.7% from RMB17.5 million for the six months ended June 30, 2025 to RMB77.8 million for the six months ended June 30, 2026. This was primarily due to the change from a reversal of impairment losses on trade receivables of RMB17.0 million during the six months ended June 30, 2025 to an impairment loss on trade receivables of RMB35.4 million during the six months ended June 30, 2026, following the Group's reassessment of the expected credit losses on certain trade receivables in light of their slower-than-anticipated settlement progress.

### R&D Expenses

The Company's research and development expenses primarily consist of (i) employee expenses; (ii) material costs used in R&D projects; (iii) depreciation and amortization; (iv) share-based payments; (v) fuel and power expenses; and (vi) testing and certification expenses.

The Company's research and development expenses increased by 10.7% from RMB27.0 million for the six months ended June 30, 2025 to RMB29.9 million for the six months ended June 30, 2026. The increase mainly reflected higher testing and validation expenditure for new products, higher depreciation of R&D and testing equipment, and higher employee expenses as the Group continued the ramp-up of its 8-inch product and production capability.

### Finance Costs

The Company's finance costs primarily consist of (i) interest expenses on bank loans and other borrowings; and (ii) interest expenses on lease liabilities.

The Company's finance costs increased by 19.4% from RMB24.7 million for the six months ended June 30, 2025 to RMB29.5 million for the six months ended June 30, 2026. This was primarily due to a decrease in capitalised interest expenses during the Reporting Period after certain construction in progress, including factory buildings and offices at the Group's Ecological Park production base, was put into use and transferred to buildings, leasehold improvements and machinery at the end of 2025.

### Loss before Taxation

As a result of the foregoing, the Company recorded a loss before taxation of RMB144.2 million for the six months ended June 30, 2026, as compared with a profit before taxation of RMB38.1 million for the six months ended June 30, 2025.

### Income Tax

The Company recorded an income tax credit of RMB21.6 million for the six months ended June 30, 2026, as compared to an income tax expense of RMB7.2 million for the six months ended June 30, 2025. The credit represented deferred tax arising from the origination and reversal of temporary differences, principally the recognition of deferred tax assets in respect of tax losses.

The Company and its subsidiary, Dongguan Southern Semiconductor Technology Co., Ltd.* (東莞南方半導體科技有限公司) ("**Dongguan Southern Semiconductor**"), were qualified as High and New Technology Enterprises and entitled to a preferential tax rate of 15%. Additionally, the Company and Dongguan Southern Semiconductor were entitled to an additional 100% tax deduction on eligible R&D expenses during the Reporting Period.

## Loss for the Period

As a result of the foregoing, the Company recorded a loss for the period of RMB122.6 million for the six months ended June 30, 2026, as compared to a profit for the period of RMB30.9 million for the six months ended June 30, 2025. The turnaround from profit to loss was primarily attributable to (1) the substantial decrease in gross profit for the reasons set out above, including the decline in average selling prices, weaker absorption of fixed manufacturing costs and depreciation, the non-cash provision for write-down of inventories and the reduced benefit from previous inventory write-downs; (2) the decrease in other net income, mainly due to increased net foreign exchange losses arising from the depreciation of the Hong Kong dollar against the Renminbi in respect of the Group's Hong Kong dollar-denominated funds; and (3) the increase in administrative and other operating expenses, mainly due to the change from a reversal of impairment losses on financial assets during the six months ended June 30, 2025 to an impairment loss on trade receivables during the six months ended June 30, 2026 following the Group's reassessment of expected credit losses on certain trade receivables in light of their slower-than-anticipated settlement progress.

## Market Risk

Market risk is the risk that profitability will be impaired or the ability to meet business objectives will be affected by changes in market prices, such as the selling prices of SiC epitaxial wafers and the purchase prices of raw materials (including SiC substrates). The semiconductor industry is cyclical and subject to rapid technological changes. During the Reporting Period, the Group was affected by industry supply-demand imbalance and rebalancing and intense price competition. The duration and outcome of those conditions remain uncertain. The management of the Company manages and monitors these risks to ensure that appropriate measures, such as flexible pricing strategies and inventory management, can be taken in a timely and effective manner.

## Operational Risk

Operational risk is the risk of loss resulting from inadequate or missing internal processes, personnel or systems, or from external events. The Company is exposed to various risks in its operations, including supply chain stability, production safety, and quality control. Responsibility for the management of operational risk rests primarily with the functional divisions and departments. The Company has established a risk management system with relevant policies and procedures, such as the "Emergency Preparedness and Response Control Procedures" and quality control standards (ISO9001 and IATF16949), to identify and assess key operational risks in order to take appropriate risk response measures.

## Investment Risk

Investment risk is defined as the possibility that any particular investment will suffer a loss relative to its expected return. The Company operates in a capital-intensive industry and has made, and expects to continue to make, significant capital expenditures for the expansion of production capacity (such as the Ecological Park production base) and R&D activities. The key consideration of the investment framework is to balance the risks and returns of various types of investments. The Company has an appropriate authorization system in place and will conduct a detailed analysis before approving an investment to ensure sufficient working capital is maintained.

## Risks to Manpower Supply and Retention

The Company may be exposed to the risk of not being able to attract and retain key personnel and talent with the appropriate and required skills, experience and aptitude, particularly R&D personnel and senior management who are critical to the Company's business success and technological innovation. The Company offers competitive salaries, performance-based bonuses, and other incentives (including share-based payment schemes) to attract and retain exceptional talent in the industry.

### Financial Risk

The Company is exposed to financial risks such as credit risk, liquidity risk and interest rate risk.

- **Credit Risk:** The Company's credit risk is primarily attributable to trade receivables. The Company is exposed to concentration risk as a significant portion of trade receivables was due from its largest customers. The Company implements credit assessment and monitoring procedures to manage this risk.

- **Liquidity Risk:** The Company monitors current and expected liquidity requirements to ensure sufficient reserves of cash and adequate committed funding from financial institutions.

- **Interest Rate Risk:** The Company is exposed to interest rate risk primarily arising from bank loans and other borrowings issued at variable rates.

In response to the above risks, the Company has a number of risk management processes in place to minimize such risks and to manage, rather than eliminate, the risk of failure to achieve business objectives.

### Foreign Exchange Risk

The Company's financial statements are presented in RMB. The Company is exposed to foreign currency risk primarily through sales and purchases which give rise to receivables, payables, and cash balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, U.S. dollars, Euros and Japanese Yen. The Company currently does not have a foreign currency hedging policy. However, the Company's management will manage foreign currency risk through regular reviews and consider hedging significant foreign currency risk exposures when necessary.

### Capital Management

The key objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Company manages its capital structure and makes adjustments in response to changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the distribution of profits to shareholders, issue new shares or sell assets to reduce debt. The capital structure of the Company primarily consists of equity attributable to equity shareholders of the Company, comprising issued share capital and various reserves.

The Company monitors capital using a debt-to-equity ratio. The debt-to-equity ratio of the Company as at June 30, 2026 was 75.0% (as at December 31, 2025: 83.6%). The gearing ratio is calculated based on total loans and borrowings divided by total equity as of the end of the respective year and multiplied by 100%. The decrease in the debt-to-equity ratio was primarily due to the repayment of bank loans during the Reporting Period.

## Liquidity and Financial Resources

During the Reporting Period, the Company financed its cash requirements primarily through cash generated from operating activities, bank loans and other borrowings, and the net proceeds from the Global Offering.

As of June 30, 2026, the Company's current assets amounted to RMB1,777.7 million (as of December 31, 2025: RMB2,193.0 million). The Company's cash and cash equivalents amounted to RMB570.4 million as of June 30, 2026 (as of December 31, 2025: RMB1,166.3 million). The Company's cash and cash equivalents are primarily denominated in RMB, United States Dollars, Hong Kong Dollars, Euro and Japanese Yen.

As of June 30, 2026, the Company had total bank loans and other borrowings of RMB1,950.2 million (as of December 31, 2025: RMB2,267.0 million). The decrease mainly reflected the maturity of certain bank loans without replacement financing and the prepayment of certain higher-cost long-term borrowings to optimise the Group's debt structure.

As of June 30, 2026, the Company recorded net current assets of RMB675.5 million (as of December 31, 2025: net current assets of RMB1,065.3 million). This decrease was primarily attributable to increased capital expenditures relating to property and equipment as the Ecological Park production base was put into use, construction in progress was added and equipment was purchased to support capacity expansion, as well as the Group's proactive early repayment of certain long-term borrowings bearing relatively high interest rates to optimise its debt structure.

The Company follow a set of funding and treasury policies to manage its capital resources and mitigate potential risks. The Company endeavor to maintain an adequate level of cash and cash equivalents to address short-term funding needs. The Board would also consider various funding sources depending on the funding needs to ensure that the financial resources have been used in the most cost-effective and efficient way to meet financial obligations. The Board reviews and evaluates the funding and treasury policy from time to time to ensure its adequacy and effectiveness.

## Capital Expenditures

The Company's capital expenditures during the Reporting Period primarily consist of payment for purchase of property, plant and equipment. The Company's capital expenditures amounted to RMB360.3 million for the six months ended June 30, 2026 (for the year ended December 31, 2025: RMB602.0 million). The capital expenditures were primarily used for the continuing construction of properties at the Ecological Park production base and the purchase of equipment to expand production capacity.

The Company expects to fund future capital expenditures through cash generated from operations, bank borrowings and the net proceeds from the Global Offering.

## Capital Commitments

The Company's capital commitments during the Reporting Period primarily relate to purchase for property, plant and equipment contracted but not provided for. As of June 30, 2026, the Company's capital commitments were RMB1,193.3 million (as of December 31, 2025: RMB1,181.2 million).

## Pledge of Assets

As of June 30, 2026, certain of the Company's bank loans and other borrowings were secured by certain of the Group's assets, including property, plant and equipment and leasehold land. The total carrying value of such pledged assets (excluding restricted cash) amounted to RMB674.1 million, comprising property, plant and equipment of RMB534.1 million and leasehold land of RMB140.0 million (as of December 31, 2025: RMB1,006.4 million).

In addition, as of June 30, 2026, the Company's bank deposits totalling RMB106.9 million were pledged as restricted cash (as of December 31, 2025: RMB6.9 million). As of June 30, 2026, these deposits primarily consisted of deposits pledged for foreign exchange options, deposits pledged for letters of guarantee and deposits related to litigation.

### Loans and Borrowings

The Company's total outstanding bank loans and other borrowings decreased from RMB2,267.0 million as of December 31, 2025 to RMB1,950.2 million as of June 30, 2026. This decrease was primarily because, in order to optimise its debt structure, the Group did not obtain replacement financing after certain bank loans matured, thereby reducing its financing scale, and prepaid certain long-term borrowings bearing relatively high financing costs.

As of June 30, 2026, the Company had interest-bearing borrowings of RMB1,950.2 million, of which RMB1,271.5 million were secured by certain assets of the Group. The effective interest rates ranged from 2.39% to 3.80% per annum. Of the total borrowings, RMB199.0 million bore interest at fixed rates. The Company's bank loans and other borrowings are primarily denominated in RMB.

As of June 30, 2026, the Company had committed unutilized banking facilities of RMB4,824.3 million.

### Contingent Liabilities

The Company did not have any material contingent liabilities as of June 30, 2026 (as of December 31, 2025: nil).

### Future Plans for Material Investments and Capital Assets

The Company intends to make significant capital expenditures to expand its overall production capacity over the next five years, specifically for the construction of ancillary facilities, such as the dormitories, at its new Ecological Park production base in Dongguan. Such expenditure is expected to be funded by cash generated from operations, bank borrowings and/or the net proceeds from the Global Offering.

Except as disclosed above and in the "Future Plans and Use of Proceeds" section of the Company's Prospectus, for the six months ended June 30, 2026, the Company had no other plan for material investments and capital assets.

### Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

As at 30 June 2026, the Group did not hold any significant investment, including any investment with a value of 5% or more of the Group's total assets. During the Reporting Period, the Group did not make any material acquisition or disposal of a subsidiary, associate or joint venture.

### Property, Plant and Equipment

The Company's property, plant and equipment primarily consist of (i) buildings and construction; (ii) machinery and equipment used in R&D and production; (iii) office equipment and furniture; and (iv) motor vehicles.

The amount of the Company's property, plant and equipment as of June 30, 2026 was RMB2,813.3 million, representing an increase compared to the amount of RMB2,761.1 million as of December 31, 2025. This was primarily due to additions to construction in progress and purchases of equipment to support capacity expansion after the Ecological Park production base was put into use. The overall increase in property, plant and equipment was partially offset by depreciation charged during the Reporting Period.

### Right-of-use Assets

The Company's right-of-use assets principally comprise (i) leasehold land in the Chinese Mainland; and (ii) leased office premises, staff dormitories and equipment.

The Company's right-of-use assets decreased from RMB185.8 million as of December 31, 2025 to RMB180.7 million as of June 30, 2026, primarily due to depreciation charged during the Reporting Period.

### Inventories

The Company's inventories primarily consist of (i) raw materials, mainly including SiC substrates; (ii) semi-finished products and work in progress; and (iii) finished goods.

The Company's inventories increased from RMB69.2 million as of December 31, 2025 to RMB211.8 million as of June 30, 2026. This was primarily due to the gradual commencement of production of new production lines at the Ecological Park production base during the Reporting Period and their capacity ramp-up, and increased production undertaken to fulfil a higher level of customer orders on hand, resulting in increases in raw materials, semi-finished products and finished goods. Subject to the utilisation of new production capacity ramping up and customer certification at the new production site progressing as planned, inventory turnover efficiency is expected to improve gradually.

### Trade and Bills Receivables

The Company's trade receivables during the Reporting Period primarily represent receivables from customers for sales of SiC epitaxial wafers. The credit period granted to customers was generally 15 days to 180 days from the date of billing. The Company's bills receivables primarily represent bank acceptance bills from customers.

The Company's trade and bills receivables decreased from RMB742.6 million as of December 31, 2025 to RMB461.0 million as of June 30, 2026. This was primarily due to collections of significant receivable balances outstanding as at December 31, 2025. Notwithstanding such collection progress, the Group increased its loss allowance following a reassessment of certain trade receivables whose settlement progress was slower than anticipated.

### Prepayments, Deposits and Other Receivables

The Company's current prepayments, deposits and other receivables primarily consist of (i) prepayments for materials and expenses; (ii) value added tax recoverable; and (iii) other deposits and receivables.

The Company's current prepayments, deposits and other receivables increased from RMB208.0 million as of December 31, 2025 to RMB427.6 million as of June 30, 2026. This was primarily due to (i) increased prepayments for materials and expenses to secure the supply of raw materials; and (ii) the acquisition of additional other financial assets measured at amortised cost.

In addition, as of June 30, 2026, the Company recorded non-current prepayments, deposits and other receivables of RMB290.2 million (as of December 31, 2025: RMB180.3 million), which primarily comprised prepayments for purchases of property, plant and equipment to support the Company's capacity expansion.

### Trade and Bills Payables

The Company's trade and bills payables during the Reporting Period mainly include payments due to material suppliers.

The Company's trade and bills payables increased from RMB141.2 million as of December 31, 2025 to RMB327.9 million as of June 30, 2026. This was primarily due to increased purchases of raw materials as new production lines at the Ecological Park production base gradually commenced production during the Reporting Period and to fulfil a higher level of existing and anticipated customer orders.

### Other Payables and Accruals

The Company's other payables and accruals mainly include (i) payables for constructions and equipment purchases; (ii) salaries, wages, bonus and benefits payable; (iii) amounts due to related parties; and (iv) other tax payable.

The Company's other payables and accruals decreased from RMB210.1 million as of December 31, 2025 to RMB139.4 million as of June 30, 2026. This was primarily due to the partial settlement during the Reporting Period of payables relating to the construction of Ecological Park production base and purchases of equipment.

### Contract Liabilities

The Company's contract liabilities increased from RMB4.3 million as of December 31, 2025 to RMB92.9 million as of June 30, 2026. This was primarily due to increased prepayments received from customers for new orders.

## EMPLOYEES

### Employees

As of June 30, 2026, the Group had a total of 1,239 full-time employees, substantially all of whom were based in China. The following table sets forth the number of the Group's employees by function as of June 30, 2026:

| Function | Number of employees |
|---|---:|
| Production and quality control | 874 |
| R&D | 116 |
| Business operations | 145 |
| Sales and marketing | 15 |
| Financial, administrative and supporting | 84 |
| Senior management | 5 |
| **Total** | **1,239** |

### Remuneration Policy

The Group offers a comprehensive remuneration package to its employees, which is generally structured with reference to market terms and individual merits, and reviewed by the management on a regular basis. The Group recognizes the importance of talents for sustainable business growth and competitive advantages. The Group believes that its success depends on its ability to attract, retain and motivate qualified personnel. As part of its human resources strategy, the Group offers employees competitive salaries, performance-based bonuses, and other incentives. The Group typically enters into confidentiality agreements with all of its employees and non-competition agreements with key employees. The Group regularly reviews the performance of its employees on the basis of, among other criteria, their abilities to achieve stipulated performance targets. As a result, the Group has generally been able to attract and retain qualified employees and maintain a stable core business and operating team.

### Training Plans

The Group has adopted a diversified recruitment approach to ensure a sufficient talent pool for key positions. The Group primarily recruits employees through on-campus recruitment, online recruitment channels and third-party employment websites. The Group provides on-board training for all of its employees as well as periodic training or seminars to ensure their self-development. The Group also prioritizes the internal training of R&D personnel, utilizing a variety of training resources, including both internal and external courses, to enhance employees' professional skills and provide diverse career development paths. The Group strives to create a multiple-incentive mechanism and a friendly working environment to fulfil its employees' full potential.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognizes the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements could lead to the termination of operating licenses. The Group has allocated adequate resources to ensure ongoing compliance with applicable laws and regulations and to maintain healthy relationships with regulators through effective communications.

The Group strictly complies with the laws and regulations of the PRC, mainly including laws and regulations on environmental protection, production safety, product quality, intellectual property and labor. The Group has established a comprehensive set of quality control and assurance procedures to monitor its operations to ensure compliance with relevant regulatory requirements.

To the best knowledge of the Board and management, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the Group's business and operations. For the six months ended June 30, 2026, the Group had no material violations of or non-compliance with applicable laws and regulations.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions of the CG Code as set out in Appendix C1 to the Listing Rules as its own corporate governance code.

During the Reporting Period, the Company has complied with all applicable code provisions of the CG Code, except for the deviation from code provision C.2.1 as described below.

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. Mr. Li Xiguang ("**Mr. Li**") currently serves as both the Chairman of the Board and the general manager of the Company. In view of Mr. Li's extensive industry experience, personal profile and critical role in the Group's historical development, the Board believes that vesting the roles of both Chairman and general manager in Mr. Li provides the Group with strong and consistent leadership, allowing for more effective planning and management of the Group.

The Board considers that the balance of power and authority is ensured by the operation of the Board and the senior management, which comprises experienced and diverse individuals. The Board currently comprises one executive Director, two non-executive Directors and three independent non-executive Directors. Therefore, the Board possesses a strong independence element in its composition. The Board will continue to review and monitor the corporate governance structure of the Company to ensure that the Company's corporate governance practices remain high.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors and, prior to the abolition of the Supervisory Committee on May 19, 2026, the former Supervisors, on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Listing Rules.

Having made specific enquiry of all Directors and of the former Supervisors in respect of their respective tenures during the Reporting Period, the Company confirmed that each of them had complied with the Model Code throughout the applicable period.

## CHANGES IN INFORMATION OF DIRECTORS, FORMER SUPERVISORS AND CHIEF EXECUTIVE

The changes in information of Directors, former Supervisors and chief executive during the Reporting Period and up to the date of this interim report are set out below:

Mr. Vincent Chin has served as an independent director of Digiwin Co., Ltd.* (鼎捷數智股份有限公司) since April 22, 2026.

Mr. Jiang Dacai resigned as a director of Beijing Onmicro Electronics Co., Ltd.* (北京昂瑞微電子技術股份有限公司), Maxone Semiconductor (Suzhou) Co., Ltd.* (強一半導體(蘇州)股份有限公司) and Sidea Semiconductor Equipment (Shenzhen) Co., Ltd.* (矽電半導體設備(深圳)股份有限公司), with effect from April 7, 2026, April 20, 2026 and April 22, 2026, respectively.

Save as disclosed above, there was no change in the information of the Directors,former Supervisors or chief executive required to be disclosed under Rule 13.51B(1) of the Listing Rules since publication of the Company's 2025 annual report.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2026, the interests and short positions in the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) held by the following Directors and chief executive of the Company which shall be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 352 of the SFO, or which shall be required to be notified to our Company and the Stock Exchange pursuant to the Model Code are as follows:

| Name of Director or chief executive of our Company | Position | Nature of Interest | Description of Shares | Number of Shares[1] | Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate)[2] | Approximate percentage of interest in our Company[2] |
|---|---|---|---|---|---|---|
| Mr. Li Xiguang[3]&[4] | Chairman, executive Director and general manager | Beneficial Interest | Unlisted Shares | 105,517,013 (L) | 31.5656% | 26.8308% |
| | | | H Shares | Nil | — | — |
| | | Interest in controlled corporation[3] | Unlisted Shares | 40,310,259 (L) | 12.0589% | 10.2501% |
| | | | H Shares | Nil | — | — |
| | | Interest of concert parties[4] | Unlisted Shares | 66,126,373 (L) | 19.7818% | 16.8146% |
| | | | H Shares | Nil | — | — |
| Mr. Au Yeung Chung[4] | Non-executive Director | Beneficial Interest | Unlisted Shares | 66,126,373 (L) | 19.7818% | 16.8146% |
| | | | H Shares | Nil | — | — |
| | | Interest of concert parties[4] | Unlisted Shares | 145,827,272 (L) | 43.6245% | 37.0808% |
| | | | H Shares | Nil | — | — |

Notes:

1. The letter "L" denotes the entity/person's long position (as defined under Part XV of the SFO) in such Shares.

2. The calculation is based on the total number of 334,278,085 Unlisted Shares and 58,990,426 H Shares in issue as of June 30, 2026.

3. As of the Latest Practicable Date, each of Dinghong Investment, Runsheng Investment and Wanghe Investment was interested in 20,274,440 Unlisted Shares, 11,585,291 Unlisted Shares and 8,450,528 Unlisted Shares, respectively. Each of Dinghong Investment, Runsheng Investment and Wanghe Investment, as ESOP Platforms, is managed by its executive partner, namely Tianyu Gongchuang, which is in turn owned as to 99% by Mr. Li Xiguang and as to 1% by Ms. Su Qin, the spouse of Mr. Li Xiguang. The limited partner of each of Dinghong Investment, Runsheng Investment and Wanghe Investment who contributed more than one third of the capital to the limited partnership is Mr. Li Xiguang, who held 34.75%, 39.94% and 42.62% of the partnership interest in Dinghong Investment, Runsheng Investment and Wanghe Investment, respectively. Accordingly, Mr. Li Xiguang is deemed to be interested in the Unlisted Shares held by Dinghong Investment, Runsheng Investment and Wanghe Investment under the SFO.

4. Pursuant to the Acting-in-concert Agreement, Mr. Li Xiguang and Mr. Au Yeung Chung acknowledged and confirmed that they shall act in concert by aligning their votes at the Board and/or Shareholders' meetings of our Company in accordance with the consensus achieved between them, and in the event that they are unable to reach consensus on any matter presented, the parties shall vote in accordance with the direction of Mr. Li Xiguang. For details, see "History, Development and Corporate Structure — Corporate Development — Our Company — Concert Party Arrangement" in the Prospectus. As such, each of the concert parties (i.e. Mr. Li Xiguang and Mr. Au Yeung Chung) is deemed to be interested in the Shares each other is interested in.

Save as disclosed above, as of June 30, 2026, none of the Directors or chief executive of our Company had the interests and short positions in the Shares, underlying Shares and debentures of our Company or any of its associated corporation (within the meaning of Part XV of the SFO) which shall be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which shall be recorded in the register required to be kept by our Company under Section 352 of the SFO, or which shall be required to be notified to our Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

As of June 30, 2026, to the best knowledge of the Directors, the following persons (other than Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name of Shareholder | Nature of Interest | Description of Shares | Number of Shares(1) | Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate)(2) | Approximate percentage of interest in our Company |
|---|---|---|---|---|---|
| Mr. Li Xiguang | Beneficial Interest | Unlisted Shares | 105,517,013 (L) | 31.5656% | 26.8308% |
| | | H Shares | Nil | — | — |
| | Interest in controlled corporation(3) | Unlisted Shares | 40,310,259 (L) | 12.0589% | 10.2501% |
| | | H Shares | Nil | — | — |
| | Interest of concert parties(4) | Unlisted Shares | 66,126,373 (L) | 19.7818% | 16.8146% |
| | | H Shares | Nil | — | — |
| Ms. Su Qin | Interest of spouse(5) | Unlisted Shares | 211,953,645 (L) | 63.4064% | 53.8954% |
| | | H Shares | Nil | — | — |
| Mr. Au Yeung Chung | Beneficial Interest | Unlisted Shares | 66,126,373 (L) | 19.7818% | 16.8146% |
| | | H Shares | Nil | — | — |
| | Interest of concert parties(4) | Unlisted Shares | 145,827,272 (L) | 43.6245% | 37.0808% |
| | | H Shares | Nil | — | — |
| Ms. Tong Lai Kwan | Interest of spouse(6) | Unlisted Shares | 211,953,645 (L) | 63.4064% | 53.8954% |
| | | H Shares | Nil | — | — |
| Tianyu Gongchuang | Interest in controlled corporation(3) | Unlisted Shares | 40,310,259 (L) | 12.0589% | 10.2501% |
| | | H Shares | Nil | — | — |
| Mr. Lee Yuk Ming | Beneficial Interest | Unlisted Shares | 22,349,321 (L) | 6.6858% | 5.6830% |
| | | H Shares | 10,000,000 (L) | 16.9519% | 2.5428% |
| Ms. Cheung Wai Ling | Interest of spouse(7) | Unlisted Shares | 22,349,321 (L) | 6.6858% | 5.6830% |
| | | H Shares | 10,000,000 (L) | 16.9519% | 2.5428% |
| Mr. Zhuang Shuguang | Beneficial Interest | Unlisted Shares | 28,139,493 (L) | 8.4180% | 7.1553% |
| | | H Shares | Nil | — | — |
| Ms. Zhang Rihuan | Interest of spouse(8) | Unlisted Shares | 28,139,493 (L) | 8.4180% | 7.1553% |
| | | H Shares | Nil | — | — |
| Habo Technology | Beneficial Interest(9) | Unlisted Shares | 19,852,303 (L) | 5.9389% | 5.0480% |
| | | H Shares | 4,000,000 (L) | 6.7808% | 1.0171% |

| Name of Shareholder | Nature of Interest | Description of Shares | Number of Shares[1] | Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate)[2] | Approximate percentage of interest in our Company |
|---|---|---|---|---|---|
| Habo Venture Capital | Interest in controlled corporation[9] | Unlisted Shares | 19,852,303 (L) | 5.9389% | 5.0480% |
| | | H Shares | 4,000,000 (L) | 6.7808% | 1.0171% |
| Huawei Investment | Interest in controlled corporation[9] | Unlisted Shares | 19,852,303 (L) | 5.9389% | 5.0480% |
| | | H Shares | 4,000,000 (L) | 6.7808% | 1.0171% |
| Huawei Investment Trade Union Committee | Interest in controlled corporation[9] | Unlisted Shares | 19,852,303 (L) | 5.9389% | 5.0480% |
| | | H Shares | 4,000,000 (L) | 6.7808% | 1.0171% |
| Huawei Technologies | Interest in controlled corporation[9] | Unlisted Shares | 19,852,303 (L) | 5.9389% | 5.0480% |
| | | H Shares | 4,000,000 (L) | 6.7808% | 1.0171% |
| Dinghong Investment | Beneficial Interest[3] | Unlisted Shares | 20,274,440 (L) | 6.0651% | 5.1554% |
| | | H Shares | Nil | — | — |

Notes:

1. The letter "L" denotes the entity/person's long position (as defined under Part XV of the SFO) in such Shares.

2. The calculation is based on the total number of 334,278,085 Unlisted Shares and 58,990,426 H Shares in issue as of June 30, 2026.

3. As of the Latest Practicable Date, each of Dinghong Investment, Runsheng Investment and Wanghe Investment was interested in 20,274,440 Unlisted Shares, 11,585,291 Unlisted Shares and 8,450,528 Unlisted Shares, respectively.

   Each of Dinghong Investment, Runsheng Investment and Wanghe Investment, as ESOP Platforms, is managed by its executive partner, namely Tianyu Gongchuang, which is in turn owned as to 99% by Mr. Li Xiguang and as to 1% by Ms. Su Qin, the spouse of Mr. Li Xiguang.

   The limited partner of each of Dinghong Investment, Runsheng Investment and Wanghe Investment who contributed more than one third of the capital to the limited partnership is Mr. Li Xiguang, who held 34.75%, 39.94% and 42.62% of the partnership interest in Dinghong Investment, Runsheng Investment and Wanghe Investment, respectively.

   Accordingly, Mr. Li Xiguang is deemed to be interested in the Unlisted Shares held by Dinghong Investment, Runsheng Investment and Wanghe Investment under the SFO.

4. Pursuant to the Acting-in-concert Agreement, Mr. Li Xiguang and Mr. Au Yeung Chung acknowledged and confirmed that they shall act in concert by aligning their votes at the Board and/or Shareholders' meetings of our Company in accordance with the consensus achieved between them, and in the event that they are unable to reach consensus on any matter presented, the parties shall vote in accordance with the direction of Mr. Li Xiguang. For details, please see "History, Development and Corporate Structure — Corporate Development — Our Company — Concert Party Arrangement" in the Prospectus. As such, each of the concert parties are deemed to be interested in the Shares each other is interested in.

5. Ms. Su Qin is the spouse of Mr. Li Xiguang. By virtue of the SFO, Ms. Su Qin is deemed to be interested in the equity interests held by Mr. Li Xiguang.

6. Ms. Tong Lai Kwan is the spouse of Mr. Au Yeung. By virtue of the SFO, Ms. Tong Lai Kwan is deemed to be interested in the equity interests held by Mr. Au Yeung Chung.

7. Ms. Cheung Wai Ling is the spouse of Mr. Lee Yuk Ming. By virtue of the SFO, Ms. Cheung Wai Ling is deemed to be interested in the equity interests held by Mr. Lee Yuk Ming.

8. Ms. Zhang Rihuan is the spouse of Mr. Zhuang Shuguang. By virtue of the SFO, Ms. Zhang Rihuan is deemed to be interested in the equity interests held by Mr. Zhuang Shuguang.

9. Shenzhen Habo Technology Investment Partnership (Limited Partnership)* (深圳哈勃科技投資合夥企業(有限合夥)) ("**Habo Technology**") is a limited partnership established under the laws of the PRC. The general partner of Habo Technology is Habo Technology Venture Capital Co., Ltd* (哈勃科技創業投資有限公司) ("**Habo Venture Capital**"), which held 1% of the partnership interest in Habo Technology. The limited partner of Habo Technology who contributed more than one third of the capital to the limited partnership is Huawei Technologies Co., Ltd (華為技術有限公司) ("**Huawei Technologies**"), which held 69% of the partnership interest in Habo Technology.

   Both Habo Venture Capital and Huawei Technologies are wholly owned by Huawei Investment & Holding Co., Ltd (華為投資控股有限公司) ("**Huawei Investment**") and Huawei Investment is owned as to 99.42% by Huawei Investment & Holding Co., Ltd. Trade Union Committee* (華為投資控股有限公司工會委員會) ("**Huawei Investment Trade Union Committee**").

   As such, under the SFO, Habo Venture Capital, Huawei Technologies, Huawei Investment and Huawei Investment Trade Union Committee are deemed to be interested in the equity interests held by Habo Technology.

Save as disclosed above, as of June 30, 2026, the Company had not been notified of any other interests or short positions held by any other person in the shares or underlying shares of the Company which were required to be recorded or otherwise disclosed to the Company under the SFO.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. As of June 30, 2026, the Company did not hold any treasury shares.

## USE OF PROCEEDS FROM THE GLOBAL OFFERING

On December 5, 2025, the Company completed the Global Offering. Following finalisation of the underwriting commissions and other offering expenses, the final net proceeds amounted to approximately HK$1,673.09 million. As at the date of this report, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The use of proceeds from the Global Offering as of June 30, 2026 was as follows:

| Intended use of proceeds | Approximate percentage of total amount | Approximate distribution of actual net proceeds (HK$ million) | Approximate amount of net unutilized proceeds as of January 1, 2026 | Approximate utilization of proceeds during the Reporting Period (HK$ million) | Approximate amount of net unutilized proceeds as of June 30, 2026 (HK$ million) | Expected timing of utilization of unutilized proceeds |
|---|---|---|---|---|---|---|
| Expand production capacity — purchase of production equipment and machinery, construction of production bases, and recruitment of production personnel | 62.50% | 1,045.68 | 684.73 | 382.77 | 301.96 | Before December 31, 2029 |
| Enhance R&D capabilities — investment in R&D equipment, expansion of the R&D team, and other R&D-related expenses | 15.10% | 252.64 | 250.12 | 22.87 | 227.25 | Before December 31, 2029 |
| Strategic investments and/or acquisition (1) | 10.80% | 180.69 | 180.69 | 0 | 180.69 | Before December 31, 2029 |
| Expand global sales network | 2.10% | 35.13 | 35.13 | 1.03 | 34.10 | Before December 31, 2029 |
| Working capital and general corporate purposes | 9.50% | 158.94 | 14.19 | 0 | 14.19 | Before December 31, 2029 |
| Total | 100.00% | 1,673.09 | 1,164.87 | 406.67 | 758.20 | |

Note:

(1) The implementation timeline for strategic investments and/or acquisition depends on investment and acquisition opportunities and the selection process based on the Company's selection criteria.

## EMPLOYEE INCENTIVE SCHEME

To incentivize talents to service long-term and work towards enhancing the value of our Company, and to cultivate a sense of long-term shared interests between our Shareholders and our management team, the Company adopted the employee incentive scheme by way of establishing ESOP Platforms, namely Dinghong Investment, Runsheng Investment and Wanghe Investment (the "**Employee Incentive Scheme**").

The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of Shares or the grant of options by our Company to subscribe for the Shares after the Listing. Given the underlying Shares under the Employee Incentive Scheme have already been issued to Dinghong Investment, Runsheng Investment and Wanghe Investment as of the Latest Practicable Date, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Employee Incentive Scheme.

For further details, please refer to "Appendix VII Statutory and General Information — E. Employee Incentive Scheme" of the Prospectus of the Company dated November 27, 2025.

## SHARE SCHEMES

During the Reporting Period, save for the Employee Incentive Scheme, the Group had no share schemes.

## IMPORTANT CORPORATE GOVERNANCE MATTERS DURING AND AFTER THE REPORTING PERIOD

### ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS ATTACHMENTS

In accordance with the provisions of the Company Law of the People's Republic of China (the "**PRC Company Law**"), the Guidelines for the Articles of Association of Listed Companies and other relevant laws and regulations, the Board proposed to make certain amendments to the articles of association, mainly including but not limited to (1) the abolishment of the supervisory committee of the Company (the "**Supervisory Committee**") and the exercise of its functions and powers by the Audit Committee of the Board as stipulated by the PRC Company Law; (2) enhancing protection for the rights of Shareholders; (3) consequential amendments to the provisions of the articles of association in accordance with changes in applicable laws and regulations; and (4) other internal affairs and miscellaneous changes. The Board also proposed to make consequential amendments to the attachments to the articles of association, including the Rules of Procedure for Shareholders' Meetings of Guangdong Tianyu Semiconductor Co., Ltd. (《廣東天域半導體股份有限公司股東會議事規則》) and the Rules of Procedure for Board Meetings of Guangdong Tianyu Semiconductor Co., Ltd. (《廣東天域半導體股份有限公司董事會議事規則》) (collectively, the "**Proposed Amendments**").

The resolutions on the proposed abolishment of the Supervisory Committee and the Proposed Amendments have been considered and approved at the 2025 annual general meeting (the "**2025 AGM**") held on May 19, 2026. The full text of the revised Articles of Association and its attachments has been published on the websites of the Stock Exchange and the Company.

For details, please refer to the announcement of the Company dated March 30, 2026, the circular of the Company dated April 27, 2026, and the announcement of the Company dated May 19, 2026.

### REVIEW OF INTERIM ACCOUNTS BY THE AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules and the CG Code. The Audit Committee consists of two independent non-executive Directors, namely, Ms. LI Min and Mr. HE Zhengsheng, and one non-executive Director, namely, Mr. JIANG Dacai. Ms. LI Min is the chairlady of the Audit Committee.

The Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended June 30, 2026 and discussed with the management of the Company and the Auditor the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters. The Audit Committee is of the opinion that the relevant statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that appropriate disclosures have been made.

### INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

### SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to June 30, 2026 and up to the date of this report, so far as the Directors are aware, there have been no events that have materially affected the Group.

# INDEPENDENT AUDITOR'S REVIEW REPORT

**Review report to the shareholders of Guangdong Tianyu Semiconductor Co., Ltd.**
*(established in the People's Republic of China with limited liability)*

## INTRODUCTION

We have reviewed the interim financial report set out on pages 28 to 48 which comprises the consolidated statement of financial position of Guangdong Tianyu Semiconductor Co., Ltd. (the "Company") as of 30 June 2026 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim financial reporting* as issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to express a conclusion, based on our review, on this interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

**KPMG**

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 August 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026 — UNAUDITED (EXPRESSED IN RENMINBI ("RMB"))

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | Note | **RMB'000** | RMB'000 |
| **Revenue** | 4 | **347,888** | 333,404 |
| Cost of sales | | **(349,104)** | (234,067) |
| **Gross (loss)/profit** | | **(1,216)** | 99,337 |
| Other net income | 5 | **3,956** | 17,076 |
| Selling and distribution expenses | | **(9,717)** | (9,104) |
| Administrative and other operating expenses | | **(77,849)** | (17,545) |
| Research and development expenses | | **(29,874)** | (26,984) |
| **(Loss)/profit from operations** | | **(114,700)** | 62,780 |
| Finance costs | 6(a) | **(29,509)** | (24,710) |
| **(Loss)/profit before taxation** | 6 | **(144,209)** | 38,070 |
| Income tax credit/(expense) | 7(a) | **21,635** | (7,165) |
| **(Loss)/profit for the period** | | **(122,574)** | 30,905 |
| **Attributable to:** | | | |
| Equity shareholders of the Company | | **(119,807)** | 34,245 |
| Non-controlling interests | | **(2,767)** | (3,340) |
| **(Loss)/profit for the period** | | **(122,574)** | 30,905 |
| **(Loss)/earnings per share** | 8 | | |
| Basic and diluted (RMB) | | **(0.30)** | 0.09 |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026 — UNAUDITED (EXPRESSED IN RENMINBI ("RMB"))

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| **(Loss)/profit for the period** | **(122,574)** | 30,905 |
| **Other comprehensive income for the period** | | |
| Item that is or may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of overseas subsidiaries | **(3,627)** | — |
| **Total comprehensive income for the period** | **(126,201)** | 30,905 |
| **Attributable to:** | | |
| Equity shareholders of the Company | **(123,434)** | 34,245 |
| Non-controlling interests | **(2,767)** | (3,340) |
| **Total comprehensive income for the period** | **(126,201)** | 30,905 |

The accompanying notes form part of the consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026 — UNAUDITED (EXPRESSED IN RMB)

| | Note | As at 30 June 2026 RMB'000 | As at 31 December 2025 RMB'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 9 | **2,813,349** | 2,761,138 |
| Right-of-use assets | | **180,737** | 185,775 |
| Intangible assets | | **6,756** | 5,180 |
| Prepayments, deposits and other receivables | | **290,247** | 180,335 |
| Deferred tax assets | | **139,371** | 117,748 |
| | | **3,430,460** | 3,250,176 |
| **Current assets** | | | |
| Inventories | 10 | **211,817** | 69,209 |
| Trade and bills receivables | 11 | **461,019** | 742,586 |
| Prepayments, deposits and other receivables | | **427,588** | 207,973 |
| Restricted cash | 12 | **106,872** | 6,907 |
| Cash and cash equivalents | 12 | **570,378** | 1,166,275 |
| | | **1,777,674** | 2,192,950 |
| **Current liabilities** | | | |
| Trade and bills payables | 13 | **327,926** | 141,168 |
| Other payables and accruals | | **139,449** | 210,073 |
| Contract liabilities | | **92,850** | 4,255 |
| Bank loans and other borrowings | 14 | **535,086** | 765,453 |
| Lease liabilities | | **6,906** | 6,709 |
| | | **1,102,217** | 1,127,658 |
| **Net current assets** | | **675,457** | 1,065,292 |
| **Total assets less current liabilities** | | **4,105,917** | 4,315,468 |
| **Non-current liabilities** | | | |
| Bank loans and other borrowings | 14 | **1,415,125** | 1,501,521 |
| Lease liabilities | | **37,123** | 41,331 |
| Deferred income | | **52,200** | 59,466 |
| Deferred tax liabilities | | **92** | 104 |
| | | **1,504,540** | 1,602,422 |

AT 30 JUNE 2026 — UNAUDITED (EXPRESSED IN RMB)

| | **As at 30 June 2026 RMB'000** | As at 31 December 2025 RMB'000 |
|---|---|---|
| **NET ASSETS** | **2,601,377** | 2,713,046 |
| | | |
| **CAPITAL AND RESERVES** | | |
| Share capital | **393,269** | 393,269 |
| Reserves | **2,212,809** | 2,321,711 |
| | | |
| **Total equity attributable to equity shareholders of the Company** | **2,606,078** | 2,714,980 |
| | | |
| Non-controlling interests | **(4,701)** | (1,934) |
| | | |
| **TOTAL EQUITY** | **2,601,377** | 2,713,046 |

The accompanying notes form part of the consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026 — UNAUDITED (EXPRESSED IN RMB)

| | Share capital RMB'000 | Capital reserve RMB'000 | PRC statutory reserve RMB'000 | Other reserve RMB'000 | Exchange reserve RMB'000 | Accumulated losses RMB'000 | Total RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2025** | 363,198 | 1,269,187 | 11,125 | 154,934 | — | (583,505) | 1,214,939 | 4,670 | 1,219,609 |
| **Changes in equity for the six months ended 30 June 2025:** | | | | | | | | | |
| Profit/(loss) and total comprehensive income for the period | — | — | — | — | — | 34,245 | 34,245 | (3,340) | 30,905 |
| Equity-settled share-based transactions | — | 13,219 | — | — | — | — | 13,219 | — | 13,219 |
| **Balance at 30 June 2025** | 363,198 | 1,282,406 | 11,125 | 154,934 | — | (549,260) | 1,262,403 | 1,330 | 1,263,733 |
| **Balance at 1 January 2026** | **393,269** | **2,793,370** | **11,125** | **154,934** | **1,392** | **(639,110)** | **2,714,980** | **(1,934)** | **2,713,046** |
| **Changes in equity for the six months ended 30 June 2026:** | | | | | | | | | |
| Loss for the period | **—** | **—** | **—** | **—** | **—** | **(119,807)** | **(119,807)** | **(2,767)** | **(122,574)** |
| Other comprehensive income | **—** | **—** | **—** | **—** | **(3,627)** | **—** | **(3,627)** | **—** | **(3,627)** |
| Total comprehensive income | **—** | **—** | **—** | **—** | **(3,627)** | **(119,807)** | **(123,434)** | **(2,767)** | **(126,201)** |
| Equity-settled share-based transactions | **—** | **14,532** | **—** | **—** | **—** | **—** | **14,532** | **—** | **14,532** |
| **Balance at 30 June 2026** | **393,269** | **2,807,902** | **11,125** | **154,934** | **(2,235)** | **(758,917)** | **2,606,078** | **(4,701)** | **2,601,377** |

The accompanying notes form part of the consolidated financial statements.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2026 — UNAUDITED (EXPRESSED IN RMB)

| | | Six months ended 30 June | |
|---|---|---|---|
| | | **2026** | 2025 |
| | Note | **RMB'000** | RMB'000 |
| **Operating activities** | | | |
| Cash generated from operations | | **234,653** | 53,053 |
| **Net cash generated from operating activities** | | **234,653** | 53,053 |
| **Investing activities** | | | |
| Payment for purchase of property, plant and equipment | | **(358,020)** | (228,147) |
| Payment for purchase of intangible assets | | **(2,293)** | (239) |
| Interest received | | **3,124** | 162 |
| Increase in restricted cash | | **(90,322)** | — |
| **Net cash used in investing activities** | | **(447,511)** | (228,224) |
| **Financing activities** | | | |
| Proceeds from bank loans and other borrowings | | **195,712** | 626,507 |
| Repayment of bank loans and other borrowings | | **(494,590)** | (415,720) |
| Capital element of lease rentals paid | | **(4,011)** | (3,139) |
| Interest element of lease rentals paid | | **(1,048)** | (1,183) |
| Payment of listing expenses | | **—** | (3,963) |
| (Increase)/decrease in restricted cash | | **(8,846)** | 10,491 |
| Interests paid | | **(50,929)** | (56,843) |
| **Net cash (used in)/generated from financing activities** | | **(363,712)** | 156,150 |
| **Net decrease in cash and cash equivalents** | | **(576,570)** | (19,021) |
| **Effect of exchange rate changes** | | **(19,327)** | (55) |
| **Cash and cash equivalents at 1 January** | | **1,166,275** | 114,577 |
| **Cash and cash equivalents at 30 June** | 12 | **570,378** | 95,501 |

The accompanying notes form part of the consolidated financial statements.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(EXPRESSED IN RMB, UNLESS OTHERWISE INDICATED)

## 1 GENERAL INFORMATION

Guangdong Tianyu Semiconductor Co., Ltd. (廣東天域半導體股份有限公司) (the "Company"), was established in Dongguan, Guangdong Province, the People's Republic of China (the "PRC") on 7 January 2009 as a limited liability company. In November 2022, the Company was converted from a limited liability company into a joint stock limited liability company. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 5 December 2025.

The Company and its subsidiaries (together, the "Group") are principally engaged in design, research and development and manufacture of various types of silicon carbide ("SiC") epitaxial wafers.

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 27 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and the accompanying notes do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG 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 ("HKICPA"). KPMG's independent review report to the Board of Directors is included on page 27.

## 3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to International Financial Reporting Standard ("IFRS") 9, *Financial instruments*, and IFRS 7, *Financial instruments: Disclosures — Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. None of these developments have had a material effect on this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The Group principally generates its revenue from the sales of SiC epitaxial wafer and other products.

#### *(i) Disaggregation of revenue*

Disaggregation of revenue from contracts with customers by major products is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| **Revenue from contracts with customers within the scope of IFRS 15** | | |
| *Disaggregated by major products* | | |
| Self-manufactured SiC epitaxial wafer | | |
| — 4-inch epitaxial wafer | **1,091** | 2,589 |
| — 6-inch epitaxial wafer | **146,756** | 185,217 |
| — 8-inch epitaxial wafer | **147,058** | 104,652 |
| Other sales and services (note) | **52,983** | 40,946 |
| | **347,888** | 333,404 |

Note: Other sales and services mainly included (i) the provision of value-added services related to SiC epitaxial wafers, primarily including SiC epitaxial foundry service, epitaxial wafer cleaning service and SiC related inspection service; (ii) sales of suboptimal epitaxial wafers, semiconductor devices and other equipment.

All revenue was recognised at a point in time.

For the current and comparative periods, certain amounts of revenue are related to sales to related parties (see note 18(b)).

#### *(ii) Information about major customers*

Revenue from customers contributing over 10% of the total revenue of the Group during the interim period are as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Customer A | **N/A*** | 44,341 |
| Customer B | **N/A*** | 42,609 |
| Customer C | **N/A*** | 35,996 |
| Customer D | **122,839** | N/A* |
| Customer E | **58,807** | N/A* |
| Customer F | **49,455** | N/A* |

* Revenue from relevant customers was less than 10% of the Group's total revenue for the respective period.

## 4 REVENUE AND SEGMENT REPORTING — *continued*

### (a) Revenue — *continued*

#### *(ii) Information about major customers — continued*

For the current and comparative periods, certain amounts of revenue are related to sales to related parties.

### (b) Segment reporting

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Chinese Mainland | **285,360** | 332,155 |
| South Korea | **60,631** | 150 |
| Others | **1,897** | 1,099 |
| | **347,888** | 333,404 |

All assets of the Group are located in Chinese Mainland and no analysis of geographic information is presented.

## 5 OTHER NET INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Interest income from bank deposits | **3,124** | 162 |
| Government grants (note) | **18,725** | 16,701 |
| Loss on disposals of property, plant and equipment | **(1,305)** | — |
| Net foreign exchange (loss)/gain | **(19,109)** | 62 |
| Others | **2,521** | 151 |
| | **3,956** | 17,076 |

Note: The amounts mainly represented government incentive and support to the Group received during the current and comparative periods.

## 6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

### (a) Finance costs

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Interest expenses on bank loans and other borrowings | **33,044** | 32,840 |
| Interest on lease liabilities | **1,048** | 1,183 |
| | **34,092** | 34,023 |
| Less: Interest expense capitalised into property, plant and equipment (note) | **(4,583)** | (9,313) |
| | **29,509** | 24,710 |

Note: The borrowing costs have been capitalised at a rate of 3.73% (six months ended 30 June 2025: 3.60%–3.90%) per annum for six months ended 30 June 2026.

### (b) Staff costs

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Salaries, wages and other benefits | **50,123** | 34,630 |
| Contributions to defined contribution retirement plans | **7,443** | 6,144 |
| Equity-settled share-based payment expenses | **14,532** | 13,219 |
| | **72,098** | 53,993 |

## 6 (LOSS)/PROFIT BEFORE TAXATION — *continued*

### (c) Other items

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Amortisation cost of intangible assets | **717** | 442 |
| Depreciation charge | | |
| — Owned property, plant and equipment | **104,901** | 71,126 |
| — Right-of-use assets | **5,038** | 5,038 |
| | **109,939** | 76,164 |
| Cost of inventories sold (note) (note 10) | **349,104** | 234,067 |
| Provision/(reversal of provision) for impairment losses on financial assets | | |
| — Trade receivables | **35,402** | (16,940) |
| — Other receivables | **(48)** | 15 |
| | **35,354** | (16,925) |

Note: During the six months ended 30 June 2026, cost of inventories includes RMB87,113,000 (six months ended 30 June 2025: RMB49,221,000) relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

## 7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | **(21,635)** | 7,165 |
| **Income tax (credit)/expense** | **(21,635)** | 7,165 |

## 7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME — *continued*

### (a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents: — *continued*

Notes:

(i) In accordance with relevant PRC rules and regulations, the PRC Corporate Income Tax rate applicable to the Company and Company's subsidiaries registered in Chinese Mainland is principally 25% for the six months ended 30 June 2026 (six months ended 30 June 2025: 25%), except as described below:

(a) Guangdong Tianyu Semiconductor Co., Ltd. was originally qualified as the High and New Technology Enterprise ("HNTE") and entitled to a preferential tax rate of 15% until 2026.

(b) Dongguan Southern Semiconductor Technology Co., Ltd. was qualified as HNTE and entitled to a preferential tax rate of 15% until 2027.

(c) Dongguan Hengxin Third Generation Semiconductor Research Institute and Guangdong Zhuhai Runfu Technology Co., Ltd. had been filed as Small Low-Profit Enterprises for previous years. The management of the Group believes that these entities will continue to qualify as Small Low-Profit Enterprises for the year ending 31 December 2026 and are subject to a preferential effective tax rate at 5% for the six months ended 30 June 2026 (2025: 5%).

(d) Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(ii) The additional deduction for research and development expenses mainly represents an additional 100% tax deduction on eligible research and development expenses incurred by Guangdong Tianyu Semiconductor Co., Ltd. and Dongguan Southern Semiconductor Technology Co., Ltd. for the six months ended 30 June 2026 and 2025.

## 8 (LOSS)/EARNINGS PER SHARE

### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit attributable to ordinary equity shareholders of the Company of RMB119,807,000 (six months ended 30 June 2025: RMB34,245,000) and the weighted average of 393,269,000 ordinary shares (2025: 363,198,000 shares) in issue during the interim period.

### (b) Diluted (loss)/earnings per share

For the six months ended 30 June 2026 and 2025, the Company did not have any dilutive potential ordinary shares outstanding. Accordingly, diluted (loss)/earnings per share were equal to basic (loss)/earnings per share for both periods.

## 9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with a cost of RMB158,417,000 (six months ended 30 June 2025: RMB256,903,000).

## 10 INVENTORIES

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

| | At 30 June 2026 RMB'000 | At 30 June 2025 RMB'000 |
|---|---|---|
| Carrying amount of inventories sold | **325,690** | 264,526 |
| Reversal of inventory write-down of inventories (note) | **—** | (34,159) |
| Write down of inventories | **23,414** | 3,700 |
| | **349,104** | 234,067 |

Note: The reversal of write-down of inventories during the six months ended 30 June 2025 arose from the return of certain inventories to a supplier due to quality issues. The purchase cost of such returned inventories was RMB52,278,000, which was written down by RMB34,159,000 as at 31 December 2024. Both the cost of inventories and related write-down were derecognised upon returning to a supplier.

## 11 TRADE AND BILLS RECEIVABLES

| | Note | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|---|
| Trade receivables | | | |
| — third parties | | **487,149** | 793,923 |
| — related parties | 18(c) | **1,118** | 2,001 |
| | | **488,267** | 795,924 |
| Bills receivables — third parties | | **81,459** | 19,967 |
| Less: loss allowance | | **(108,707)** | (73,305) |
| | | **461,019** | 742,586 |

The Group derecognised the bills receivables issued by the major banks or the banks with qualified rating when the bill receivables are transferred to others through endorsement to suppliers or discounting to other banks. As at 30 June 2026, bills receivables of RMB10,317,000 (31 December 2025: RMB9,259,000) were transferred but not derecognised.

## 11 TRADE AND BILLS RECEIVABLES — *continued*

### Aging analysis

As at 30 June 2026 and 31 December 2025, the aging analysis of trade and bill receivables, based on the revenue recognition date and net of loss allowance, is as follows:

| | **At 30 June 2026 RMB'000** | At 31 December 2025 RMB'000 |
|---|---|---|
| 0–90 days | **249,087** | 499,348 |
| 91–180 days | **59,327** | 70,940 |
| 181–270 days | **61,993** | 128,541 |
| 271–365 days | **77,612** | 43,757 |
| Over 1 year | **13,000** | — |
| | **461,019** | 742,586 |

Trade receivables are due within 15 to 180 days from the date of billing.

## 12 CASH AND CASH EQUIVALENTS

| | **At 30 June 2026 RMB'000** | At 31 December 2025 RMB'000 |
|---|---|---|
| Cash at bank and on hand | **677,250** | 1,173,182 |
| Less: Restricted cash | | |
| — Deposits related to litigation | **(1,830)** | (1,033) |
| — Deposits pledged for letters of guarantee | **(14,720)** | (5,874) |
| — Deposits pledged for foreign exchange options | **(90,322)** | — |
| | **(106,872)** | (6,907) |
| Cash and cash equivalents in the consolidated statement of financial position and condensed cash flow statement | **570,378** | 1,166,275 |

## 13 TRADE AND BILLS PAYABLES

| | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|
| Trade payables | **200,984** | 141,168 |
| Bills payables | **126,942** | — |
| | **327,926** | 141,168 |

All trade and bills payables are expected to be settled within one year or are repayable on demand.

As of the end of each of the reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

| | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|
| Within 1 year | **315,965** | 133,300 |
| 1 year to 2 years | **6,792** | 5,580 |
| Over 2 years | **5,169** | 2,288 |
| | **327,926** | 141,168 |

## 14 BANK LOANS AND OTHER BORROWINGS

The maturity profile for the interest-bearing bank loans and other borrowings of the Group at the end of each reporting period is as follows:

| | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|
| **Current** | | |
| Short-term bank loans and other borrowings | **338,541** | 384,006 |
| Current portion of long-term bank loans and other borrowings | **196,545** | 381,447 |
| | **535,086** | 765,453 |
| **Non-current** | | |
| Long-term bank loans and other borrowings | **1,415,125** | 1,501,521 |
| | **1,950,211** | 2,266,974 |

## 14 BANK LOANS AND OTHER BORROWINGS — *continued*

### (a) The analysis of the repayment schedule of bank loans is as follows:

| | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|
| Within 1 year or on demand | **442,465** | 558,898 |
| After 1 year but within 2 years | **303,373** | 273,966 |
| After 2 years but within 5 years | **54,948** | 241,732 |
| After 5 years | **908,962** | 841,337 |
| | **1,267,283** | 1,357,035 |
| | **1,709,748** | 1,915,933 |

### (b) The analysis of the repayment schedule of other borrowings is as follows:

| | At 30 June 2026 RMB'000 | At 31 December 2025 RMB'000 |
|---|---|---|
| Within 1 year or on demand | **92,621** | 206,555 |
| After 1 year but within 2 years | **85,701** | 73,963 |
| After 2 years but within 5 years | **62,141** | 70,523 |
| | **—** | — |
| | **147,842** | 144,486 |
| | **240,463** | 351,041 |

In July 2023, the Group signed sale and leaseback agreements with SPDB Financial Leasing Co., Ltd. ("SPDB") to sell and lease back certain machinery and equipment amounting to RMB200,000,000 to SPDB. The rent will be paid by instalments within the next three years. It is considered as a mortgage loan in substance with an annual effective interest rate of LPR rate plus 30 basis points.

In May 2023, the Group signed sale and leaseback agreements with CCB Financial Leasing Co., Ltd. ("CCB") to sell and lease back certain machinery and equipment amounting to RMB120,000,000 to CCB. The rent will be paid by instalments within the next four years. It is considered as a mortgage loan in substance with an annual effective interest rate of LPR rate minus 15 basis points.

(EXPRESSED IN RMB, UNLESS OTHERWISE INDICATED)

## 14 BANK LOANS AND OTHER BORROWINGS — *continued*

In July 2023, August 2023, March 2024, April 2024, May 2024 and July 2024, the Group signed sale and leaseback agreements with Agricultural Bank of China Financial Leasing Co., Ltd. ("ABC") to sell and lease back certain machinery and equipment amounting to RMB30,000,000, RMB35,000,000, RMB35,000,000, RMB38,000,000, RMB22,000,000 and RMB40,000,000 to ABC respectively. The rents will be paid by instalments within the next three years. It is considered as a mortgage loan in substance with an annual effective interest rate of LPR rate minus 20 basis points.

In September 2024, October 2024, January 2025 and June 2025, the Group signed sale and leaseback agreements with Industrial Bank Financial Leasing Co., Ltd. ("Industrial Bank Financial Leasing Corporation") to sell and lease back certain machinery and equipment amounting to RMB50,000,000, RMB50,000,000, RMB90,000,000 and RMB50,000,000 to Industrial Bank Financial Leasing Corporation respectively. The rent will be paid by instalments within the next four years. It is considered as a mortgage loan in substance with an annual effective interest rate of LPR rate minus 25 basis points.

### (c) Assets pledged as security and covenants for bank loans and other borrowings

At the end of each reporting period, the bank loans and other borrowings were secured and guaranteed as follows:

| | **At 30 June 2026** | At 31 December 2025 |
|---|---|---|
| Bank loans | | |
| — Unsecured and unguaranteed | **678,743** | 909,468 |
| — Unsecured and guaranteed | **—** | 9,606 |
| — Secured and unguaranteed | **1,031,005** | 996,859 |
| | **1,709,748** | 1,915,933 |
| Other borrowings | | |
| — Secured and unguaranteed | **210,977** | 253,329 |
| — Secured and guaranteed | **29,486** | 97,712 |
| | **240,463** | 351,041 |
| | **1,950,211** | 2,266,974 |

As at 30 June 2026 and 31 December 2025, none of the covenants relating to drawn down facilities had been breached.

## 15 CAPITAL, RESERVES AND DIVIDENDS

### (a) Dividends

During the six months ended 30 June 2026 and 2025, the Company did not declare nor pay dividends to the equity shareholders.

### (b) Equity settled share-based transactions

During the six months ended 30 June 2026, no restricted shares were granted (during the six months ended 30 June 2025: 52,940 shares) and equity-settled share-based payment expenses were RMB14,532,000 (six months ended 30 June 2025: RMB13,219,000). No restricted share was vested as at 30 June 2026 (2025: Nil).

## 16 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2025 and 30 June 2026.

## 17 COMMITMENTS

Commitments outstanding at 30 June 2026 not provided for in the interim financial report were as follows:

| | **At 30 June 2026 RMB'000** | At 31 December 2025 RMB'000 |
|---|---|---|
| Contracted for acquisition of property, plant and equipment | **1,027,788** | 1,078,681 |
| Authorised but not contracted for acquisition of property, plant and equipment | **165,506** | 102,541 |
| Total | **1,193,294** | 1,181,222 |

## 18 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Group's directors and certain of the highest paid employees, is as follows:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Salaries and other emoluments | **3,212** | 3,446 |
| Share-based payments | **5,491** | 5,395 |
| Retirement scheme contributions | **132** | 158 |
| | **8,835** | 8,999 |

Total remuneration is included in "staff costs" (see note 6(b)).

In addition to the related party information disclosed elsewhere in the financial statements, the Group entered into the following material related party transactions.

### (b) Transactions with related parties

Transactions with related parties are carried out based on terms agreed with the counterparties in ordinary course of business. Apart from disclosures made in other parts of the financial statements, the Group entered into the following material related party transactions during the current and comparative periods.

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **RMB'000** | RMB'000 |
| Sale of goods to related parties | **54** | 114 |
| Purchases of goods from | **2,225** | 73 |
| Lease expenses to | **3,930** | 3,930 |

## 18 MATERIAL RELATED PARTY TRANSACTIONS — *continued*

### (c) Balances with related parties

| | **As at 30 June 2026 RMB'000** | As at 31 December 2025 RMB'000 |
|---|---|---|
| Trade and bills receivables (note 11) | **1,118** | 2,001 |
| Prepayments, deposits and other receivables | — | 2,142 |
| Other payables and accruals | **14,014** | 13,371 |

Note: All balances with related parties are trade in nature.

## 19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning 1 January 2026. Earlier application is permitted; however, the group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of IFRS 18 which may have a significant impact on the group's consolidated financial statements when adopted.

## 19 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED 30 JUNE 2026 — *continued*

### IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace HKAS 1, *Presentation of financial statements*, and is first effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18 introduces new requirements for presentation and disclosure in financial statements, including new categories and defined subtotals in the statement of profit or loss, enhanced requirements for aggregation and disaggregation of information, and specific disclosures about management-defined performance measures. The group is assessing the expected impact that the initial application of IFRS 18 will have on its consolidated financial statements.

The group expects that the adoption of IFRS 18 will not change the group's net assets or net profit. However, it is expected to affect the presentation of the group's consolidated statement of profit or loss and related note disclosures.

IFRS 18 also introduces consequential amendments to HKAS 7, *Statement of cash flows*. The group is assessing the impact of those amendments, including the requirement to use the newly defined operating profit subtotal as the starting point for the cash flow statement when presenting operating cash flows under the indirect method and the classification of interest and dividend cash flows.

The actual impact of applying IFRS 18 may change as the group continues to assess the new requirements and finalises any changes to its reporting processes, controls and accounting policies before the date of initial application.

TYSiC

廣東天域半導體股份有限公司

GUANGDONG TIANYU SEMICONDUCTOR CO., LTD.