瑞聲科技控股有限公司
AAC Technologies Holdings Inc.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2018

2025
INTERIM REPORT

AAC Technologies

AAC Technologies is a leading provider of sensory experience solutions with the goal of building the future of interactive sensory technologies. Through continuous innovation and our global footprint, we have established long-term strategic partnerships with global smart device clients. We have strong capabilities in Acoustics, Optics, Electromagnetic Drives, Sensors and Semiconductors, as well as Precision Manufacturing based on decades of industry experience. AAC Technologies' mission is to create sensational experiences, and our vision is to become a global leader in sensory technology with a broad solution portfolio. We keep innovating sensory technologies to create new interactive experiences. We will focus our efforts on smartphones, intelligent vehicles, virtual reality, augmented reality and smart homes to help create a new era of sensory experience.

www.aactechnologies.com

In the event of any inconsistency between the English version and the Chinese version of this interim report, the English version shall prevail.

This interim report is printed on environmentally friendly paper.

PRINTED WITH SOY INK

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Pan Benjamin Zhengmin (Chief Executive Officer)
Mr. Mok Joe Kuen Richard (Managing Director)

Non-executive Director

Ms. Wu Ingrid Chun Yuan

Independent Non-executive Directors

Mr. Zhang Hongjiang (Chairman of the Board)
Mr. Kwok Lam Kwong Larry
Mr. Peng Zhiyuan

AUDIT AND RISK COMMITTEE

Mr. Kwok Lam Kwong Larry (Committee Chairman)
Mr. Peng Zhiyuan
Mr. Zhang Hongjiang

NOMINATION COMMITTEE

Mr. Zhang Hongjiang (Committee Chairman)
Mr. Kwok Lam Kwong Larry
Mr. Peng Zhiyuan

REMUNERATION COMMITTEE

Mr. Peng Zhiyuan (Committee Chairman)
Mr. Kwok Lam Kwong Larry
Mr. Zhang Hongjiang

SUSTAINABILITY COMMITTEE

Mr. Mok Joe Kuen Richard (Committee Chairman)
Mr. Kwok Lam Kwong Larry
Mr. Pan Kaitai Kelvin (Executive Vice President)
Mr. Peng Zhiyuan
Ms. Wu Ingrid Chun Yuan

AUTHORIZED REPRESENTATIVES

Mr. Pan Benjamin Zhengmin
Mr. Mok Joe Kuen Richard

JOINT COMPANY SECRETARIES

Ms. Guan Muyi
Mr. Ho Siu Tak Jonathan

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISORS

Herbert Smith Freehills Kramer
JunHe

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

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Singapore 528607

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2601, 26th Floor,
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Wanchai, Hong Kong

REGISTERED OFFICE

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P. O. Box 2681, Grand Cayman, KY1-1111
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
Boundary Hall, Cricket Square
P.O. Box 1093, Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

PRINCIPAL BANKERS

DBS Bank Limited
The Hongkong and Shanghai Corporation Limited
Bank of China Limited
Industrial and Commercial Bank of China Limited
Agriculture Bank of China Limited
China Construction Bank Limited
Bank of Communications Corporation
Ping An Bank Co., Ltd
Standard Chartered Bank
China Merchants Bank Co., Ltd

STOCK CODE

2018

WEBSITE

www.aactechnologies.com

FINANCIAL YEAR END

31 December

Core Development Strategies

AAC Technologies is determined to offer advanced, proprietary technologies, driving growth through innovation and smart manufacturing capabilities, to achieve diversified development in the fields of smart phones, intelligent vehicles, AR/VR, industry and semiconductors. We focus on effective management, talent development and social responsibilities to ensure sustainable and high-quality growth.

Financial Highlights

Past 5 First-half Operating Financial Data

	1H 2021 RMB'000	1H 2022 RMB'000	1H 2023 RMB'000	1H 2024 RMB'000	**1H 2025 RMB'000**	1H 2025 vs 1H 2024 YoY Increase/ (Decrease)
Revenue	8,609,140	9,411,777	9,218,944	11,246,971	**13,318,486**	18.4%
Depreciation and Amortisation	1,312,185	1,450,508	1,479,975	1,537,845	**1,508,288**	(1.9%)
Finance costs	210,810	203,846	203,964	206,621	**186,407**	(9.8%)
Net profit attributable to owners of the Company	920,952	350,090	150,304	537,028	**875,672**	63.1%
EBITDA	2,504,733	2,078,871	1,858,771	2,372,392	**2,729,534**	15.1%
CAPEX	(2,051,902)	(1,061,928)	(616,099)	(916,891)	**(1,444,279)**	57.5%
Taxation paid	(122,447)	(187,668)	(85,580)	(145,990)	**(317,340)**	117.4%
Changes in working capital	(1,091,671)	(409,801)	756,123	595,835	**888,701**	49.2%
Free cash flow	(761,287)	419,474	1,913,215	1,905,346	**1,856,616**	
Gross margin	28.1%	18.9%	14.1%	21.5%	**20.7%**	(0.8ppts)
Net profit margin	10.7%	3.7%	1.6%	4.8%	**6.6%**	1.8ppts
R&D expenses to Revenue	10.4%	7.7%	7.3%	8.4%	**7.5%**	(0.9ppts)
Annualized ROA	4.6%	1.7%	0.8%	2.6%	**3.7%**	1.1ppts
Annualized ROE	8.6%	3.2%	1.4%	4.8%	**7.6%**	2.8ppts
Per capita output (Revenue/Employees)	209	271	355	305	**301**	(1.3%)
Net gearing ratio	5.0%	10.7%	4.9%	6.0%	**4.7%**	(1.3ppts)
Current ratio	2.01	2.10	1.96	1.59	**1.44**	(15.0ppts)
CAPEX/EBITDA	81.9%	51.1%	33.1%	38.6%	**52.9%**	14.3ppts

Interim Review

BUSINESS AND MARKET REVIEW

During the first half of 2025, the global smartphone market exhibited steady growth, with leading smartphone Original Equipment Manufacturer ("OEM") brands driving continuous innovation. According to preliminary statistics from International Data Corporation ("IDC"), worldwide smartphone shipments increased by 1.5% and 1.0% year-on-year ("YoY") for the first quarter and second quarter of 2025, respectively. During the six months ended on 30 June 2025 ("1H 2025"), the Group recorded revenue of RMB13.32 billion, up 18.4% YoY. This was mainly driven by the Group's continued market share gains for its core products. The Group's gross profit margin stood at 20.7%, slightly lowered by 0.8 percentage points ("ppts") YoY. This was primarily due to changes in the product mix, with significant revenue growth observed in the precision mechanics business, the optics business, and the sensor and semiconductor business. Profit attributable to shareholders increased by 63.1% YoY to RMB876 million, which was mainly attributable to a substantial enhancement in the profitability of the optics business, besides growth in the precision mechanics business.

During the reporting period, the Group's operating cash inflow amounted to RMB2.89 billion, improving by 9.1% YoY, with capital expenditure ("CAPEX") totaling RMB1.44 billion. As at 30 June 2025, the Group's net gearing ratio stood at 4.7%, with cash on book (including short-term fixed deposits) of RMB7.75 billion. The Group will continue to enhance operational efficiency, implement a disciplined CAPEX policy, and utilize the strong operating cash inflow to underpin its long-term sustainable growth and innovation initiatives.

Under the current dividend policy approved by the Board, the Group will continue to implement a final dividend payout ratio of 15% with no interim dividend. The Group will remain prudent in financial management, continue to strive for a strong cash position for future innovation, in order to create long-term value for Shareholders.

PERFORMANCE AND DEVELOPMENT OF BUSINESS SEGMENTS

Acoustics Business

In 1H 2025, the Group's acoustics business recorded steady growth, generating revenue of RMB3.52 billion, up 1.8% YoY. The gross profit margin was 27.2%, down 2.7 ppts YoY, mainly due to the changes in the product mix. With more mid-to high-end projects ramping up in the second half of the year, the gross margin is expected to see a steady improvement.

In 1H 2025, the Group further consolidated and increased its market share by leveraging its expertise in acoustic technology. With innovative material applications and structural designs, the Group continued to deliver acoustic products with superior sound quality and compact form factors for both smartphone and non-smartphone customers. The master-level super linear speakers ("SLS") and co-axial speakers maintained their leadership in the mid-to high-end market, with shipments exceeding 17 million units during 1H 2025, representing an increase approaching 40% YoY. Meanwhile, the Group introduced the industry's first master-level dual-coaxial symmetrical speakers, delivering enhanced bass extension and richer high-frequency detail to end consumers. The industry's thinnest speaker also made its debut, featuring a thickness of just 1.4mm per unit. Additionally, several artificial intelligence ("AI") glasses adopted the Group's ultra-thin speakers. The Group continues to drive innovation and enhancement in acoustic solutions, further integrating advanced hardware design, intelligent algorithms, and professional tuning services. This comprehensive approach addresses the increasingly complex demand for applications in multi-scenario, high-quality acoustic in smart devices.

Interim Review

Automotive Acoustics Business

In 1H 2025, the Group proactively captured the opportunity presented by acoustic system upgrades in smart cockpits. By continuously onboarding new customers and vehicle models, the automotive acoustics business generated revenue of RMB1.74 billion, up 14.2% YoY, which further leveraged the synergistic effects between the Group and Premium Sound Solutions ("PSS"). The gross profit margin was 23.9%, down 1.1 ppts YoY. During 1H 2025, the Group obtained a design-win of a flagship SUV of a domestic New Energy Vehicle ("NEV") brand, the system features 32 speakers, 40-channel amplifiers, algorithms, and tuning services to deliver an ultra-luxury automotive acoustics experience. The Group showcased its full-stack in-vehicle acoustic system at the Shanghai Auto Show, including high-performance speakers, self-developed amplifiers, and innovative algorithms, including AI music track separation, creating a comprehensive in-cabin acoustic experience. In 1H 2025, the Group announced the acquisition of Hebei First Light Auto Parts Co., Ltd., whose primary product portfolio encompasses smart microphones, E-call microphones, and road noise cancellation ("RNC") sensors, and its smart microphones have already achieved comprehensive coverage across major vehicle models. This acquisition significantly strengthens the Group's strategic positioning within automotive acoustic system solutions.

Optics Business

In 1H 2025, benefiting from structural opportunities arising from the continuous enhancement of optical specifications in the smartphone market, the optics business maintained its strong growth momentum. Revenue reached RMB2.65 billion, up 19.7% YoY. Shipment volumes for both plastic lenses and camera modules increased year-on-year, with average selling price ("ASP") continuing to improve. The gross profit margin stood at 10.2%, up 5.5 ppts YoY, of which the gross margin of plastic lenses improved by more than 10 ppts YoY. This margin expansion underscores the Group's premiumization strategy and significant effectiveness of the lean operations initiatives.

During 1H 2025, the Group closely followed customer innovation trends in mid-to high-end smartphone optics. Shipments of plastic lenses with specifications of 6P and above exceeded 18% of the total, while high-specification 7P projects achieved stable shipments. Furthermore, the Group secured more mid-to high-end plastic lenses orders. In camera modules, benefiting from the rapid shipment ramp of mid-to high specification products, ASP improved further, and the revenue increased by over 20% YoY. Modules with over 32 megapixels accounted for over 34% of the total shipment volume, up nearly 3 ppts YoY. Sales revenue from Optical Image Stabilization ("OIS") modules exceeded RMB800 million, up around 150% YoY.

During the reporting period, the Group made smooth progress in its high-end lens product-mix upgrade, achieving several significant breakthroughs. The Group's Wafer-Level Glass ("WLG") technology performed exceptionally well, receiving positive market feedback. In 1H 2025, the Group supported the 1G6P main camera upgrade for domestic clients' flagship model, marking a significant breakthrough for WLG in high-end optics. The Group also successfully commenced exclusive mass production and supply of its WLG-based ultra-light micro-prism solution for a customer's flagship smartphone model. This process achieves extremely high production efficiency alongside unprecedented dimensional precision and optical consistency. Looking ahead to the second half of 2025, there will be more flagship models incorporating the WLG-based hybrid lenses and micro-prism products. This marks a milestone for the WLG product line in terms of project implementation in 2025 and unlocks a new growth curve for the Group within the smartphone optics sector.

Electromagnetic Drives and Precision Mechanics, and Other Related Business

In 1H 2025, the revenue of this consolidated segment increased by 27.4% YoY to RMB4.63 billion, driven by the continued volume increase of products such as x-axis linear motors, innovative side buttons and metal casings in mid-to high-end models. The gross profit margin was 22.9%, remaining relatively stable YoY.

During the reporting period, the Group innovatively customized a breakthrough SuperSlim Engine, with a thickness of only 2.33mm and a weight of 2.25g, potentially becoming the thinnest x-axis motor in the smartphone industry. In emerging businesses, the Group leveraged expertise in electromagnetic technologies to develop vertically integrated capabilities for robotics customers, encompassing high-value components, system-level large modules, and software algorithms. The related motor products have secured orders from multiple key customers, recognized for their superior magnetic circuit design, torque advantages, and extended lifespan.

During the reporting period, the revenue of the precision mechanics business maintained a strong growth trend, and the gross profit margin rose steadily. The revenue from heat dissipation products reached RMB221 million, up over 45% YoY. The Group achieved a significant breakthrough in heat dissipation by debuting the industry's first large-sized aluminum alloy liquid-cooled vapor chamber ("VC"). Its exceptional ultra-thin design and groundbreaking cooling effectiveness have successfully addressed the increasingly severe thermal challenges in high-end devices, gaining significant market attention. Leveraging its superior heat dissipation technology, the Group has achieved the rapid deployment of its products in the flagship models of global top-tier customers. For smartphone casing business, the Group kept a high and stable market share within customers' mid-to high-end models and foldable phones. For laptop enclosure business, driven by the continuous ramp-up of high-value new projects and a steadily increasing market share, the revenue reached RMB713 million, up 18.4% YoY.

Sensor and Semiconductor Business

In 1H 2025, the sensor and semiconductor ("SSE") business revenue was RMB608 million, up 56.2% YoY, mainly driven by the large-scale shipment of the Group's high signal-to-noise ratio ("SNR") microphones to overseas customers. The gross profit margin was 12.1%, down by 4.3 ppts YoY, due to product mix. Currently, the deepening development and accelerated implementation of AI are driving the continuous expansion of voice interaction demand in smart devices. Within this trend, growing requirements for scenarios such as voice calls, video recording, and AI voice interaction are placing higher demands on devices' sound detail capture capability and rapid signal capacity. The upgrade trend in the performance of MEMS microphones, as a core sensing component, remains robust. As one of the industry's leading enterprises with the earliest strategic focus and the most extensive mass production experience in the high-SNR microphone segment, the Group is actively capitalizing on this wave of AI-driven, comprehensive smart interaction upgrades, leveraging the Group's proven excellent product performance and reliable delivery capabilities, which have been widely validated by the market.

STRATEGY DEVELOPMENT AND OUTLOOK

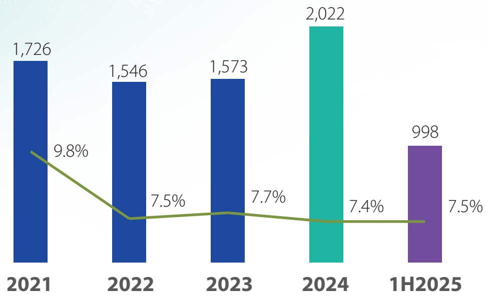
Looking ahead, the Group is committed to technological innovation as its mission, continuously exploring emerging fields such as automotive, robotics, and smart wearable devices with establishing technical barriers in micro-device technology. Through global footprint expansion and diversification of product and customer portfolio, the Group will consistently lead technological upgrades, build an internal closed-loop capability for business operations, reach new heights, deliver higher returns to shareholders and customers, and provide best-in-class experience for end-users through cutting-edge technical advancement.

Global Presence

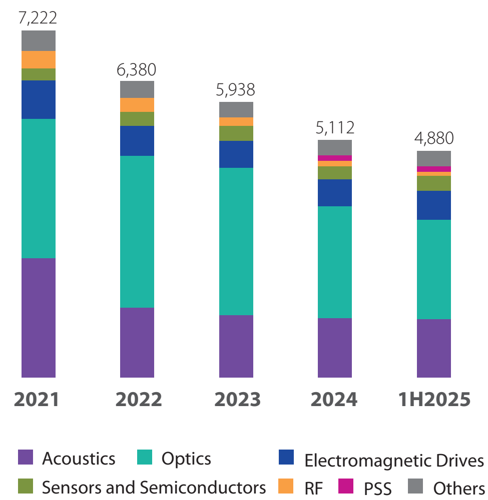
R&D

R&D Expenses and R&D Expenses/Revenue Ratio

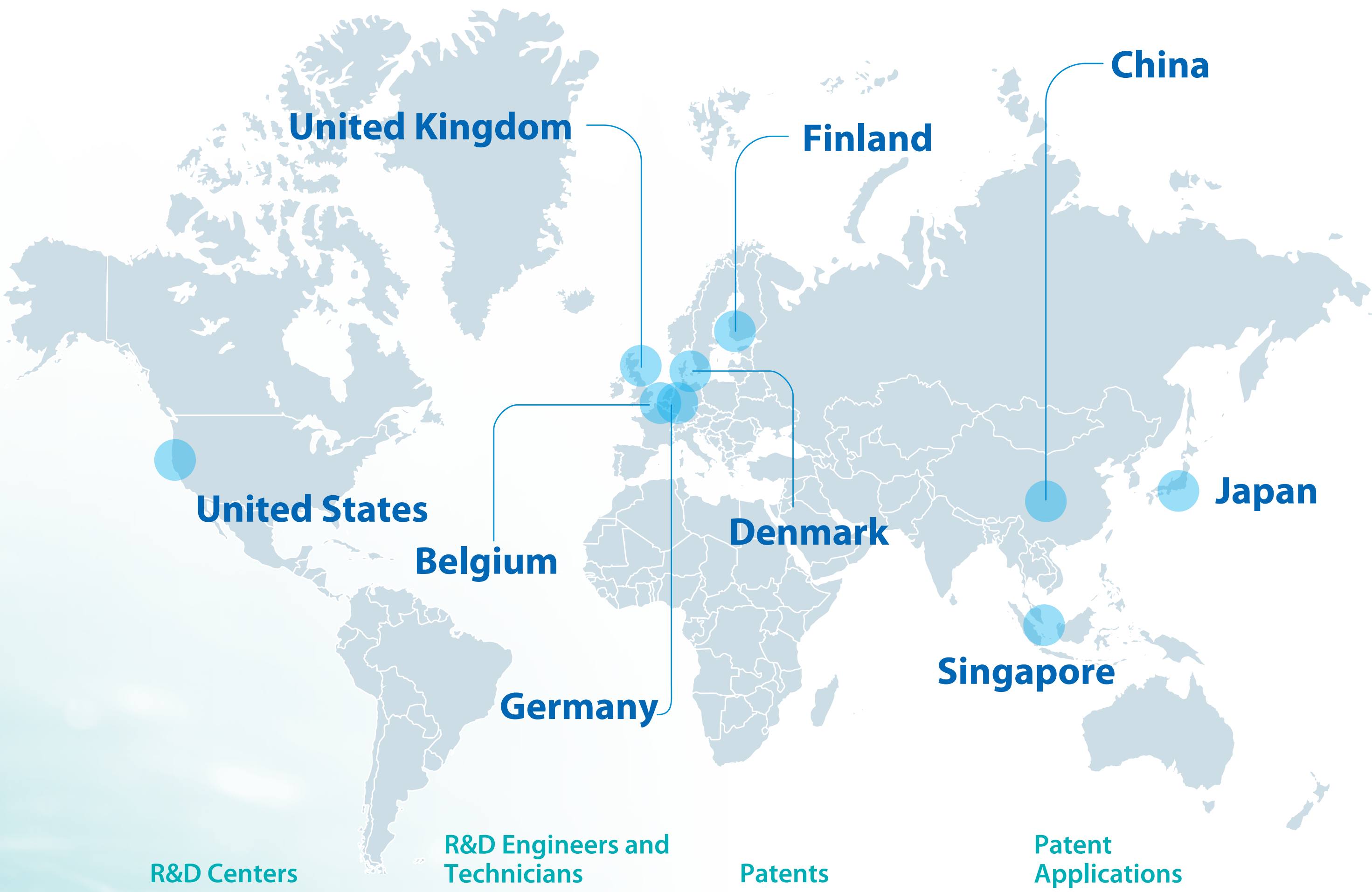
(RMB million or %)



Patents by Segments



R&D Centers



R&D Centers

19

PSS 2

R&D Engineers and Technicians

4,882

PSS 109

Patents

4,880

Overseas: 2,519

PSS 114

Patent Applications

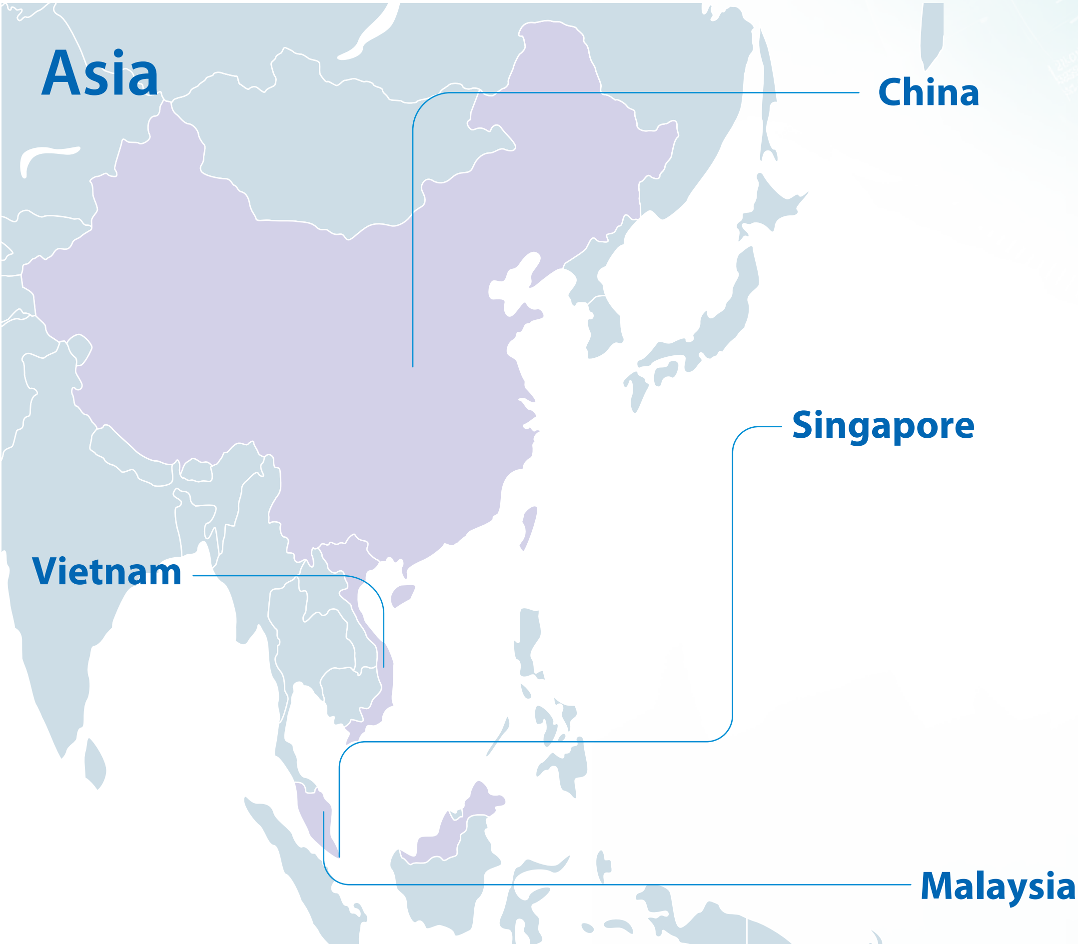
2,521

Overseas: 1,571

PSS 113

Global Presence

Diversified Manufacturing Bases



Financial Review

Revenue

1H 2025 Group revenue increased YoY by 18.4%, to RMB13.32 billion. Owing to factors discussed under "BUSINESS AND MARKET REVIEW" above, revenue from the electromagnetic drives and precision mechanics, optics, sensor and semiconductor and PSS – automotive & consumer acoustics products increased by RMB997 million, RMB435 million, RMB219 million and RMB216 million respectively.

Gross Profit and Gross Profit Margin

1H 2025 gross profit was RMB2.75 billion, representing an increase by 13.9% from the gross profit of RMB2.42 billion in 1H 2024. The rise in gross profit was mainly contributed by the improved gross profit of electromagnetic drives and precision mechanics and optics business.

Gross profit margin decreased to 20.7% in 1H 2025 as compare with 21.5% in 1H 2024. The decrease in gross profit margin was mainly contributed by changes in product mix.

Other Income and Expenses, Gains and Losses

The net other income and expenses, gains and losses increased by RMB272 million. This was mainly contributed by the change in fair value of contingent consideration payables relating to PSS (please refer to note 19 to the Condensed Consolidated Financial Statements).

Administrative Expenses

Administrative expenses in 1H 2025 were RMB637 million, 12.6% higher, compared with RMB566 million in 1H 2024. The increase was mainly contributed by acquisition of PSS in 2024 and addition investment in staff resources for new business development.

Distribution and Selling Expenses

Distribution and selling expenses of RMB343 million in 1H 2025, increased by 15.4%, compared with RMB297 million in 1H 2024. The distribution and selling expenses to turnover ratio remained stable at 2.6%.

Research and Development Expenses

R&D expenses in 1H 2025 were RMB998 million, 5.1% higher than RMB949 million in 1H 2024. The increase was primarily contributed by additional investment in new R&D projects for product upgrades and new products.

Finance Costs

Finance costs in 1H 2025 were RMB186 million, 9.8% lower than RMB207 million in 1H 2024. The decrease was mainly due to a reduction in interests on unsecured notes.

Taxation

Taxation expenses of the Group were calculated based on the assessable profits of the subsidiaries at the rates prevailing in the relevant jurisdictions. Taxation expenses in 1H 2025 amounted to RMB162 million, representing an increase of 44.5% from RMB112 million in 1H 2024. The effective tax rate reduced from 17.8% to 15.6% in 1H 2025. This change was primarily due to the significant reduction in losses from the optics business while the effective tax rate for the non-optics business remained relatively stable.

Profit attributable to the Owners of the Company

Reported profit attributable to the owners of the Company for 1H 2025 was RMB876 million, increased by 63.1% from RMB537 million in 1H 2024. The increment was mainly due to the gross profit improvement and one-off fair value gain on contingent consideration payables relating to PSS, offset by addition expenses on new business.

Financial Review

Earnings before Interest, Taxes, Depreciation and Amortization

As compared with the same period of last year, the EBITDA for the 12-month period ended 30 June 2025 increased by 25.9% to RMB5,911 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has always emphasized financial discipline and continues to maintain a strong liquidity position. Cash flows from (used in) our operating, investing and financing activities, are as below:

	For the six months ended 30 June	
	2025	2024
	RMB million	RMB million
Net cash from operating activities	**2,892.5**	2,651.3
Net cash used in investing activities	**(1,983.5)**	(2,444.0)
Net cash (used in) from financing activities	**(830.1)**	729.8

Operating Activities

Cash inflow from operating activities was mainly generated from cash receipts from the Group's sales. Cash outflows were related to raw materials purchases, payroll, distribution and selling expenses, expenses incurred in R&D, administrative items and taxation charges. Net cash generated from operating activities was RMB2,892.5 million for 1H 2025 (1H 2024: RMB2,651.3 million).

i. Trade Receivables and Payables

As at 30 June 2025, turnover days of trade receivables increased by 8 days to 95 days as compared to 31 December 2024. Trade receivables decreased by RMB1.43 billion to RMB6.30 billion. Aging of trade receivables (net of allowance for doubtful debts) based on invoice dates between 0–90 days, 91–180 days and over 180 days were RMB6,210.7 million (31 December 2024: RMB7,571.5 million), RMB83.6 million (31 December 2024: RMB152.8 million) and RMB9.7 million (31 December 2024: RMB14.5 million) respectively. The Company has received subsequent settlement totaling RMB1,679.8 million up to 31 July 2025, representing 26.6% of the total amount outstanding, net of allowances, as at the end of the reporting period.

The Group's trade payables turnover days increased by 25 days to 120 days as compared to 31 December 2024. Trade payables increased by RMB0.14 billion to RMB7.10 billion. Aging of trade payables based on invoice dates between 0–90 days, 91–180 days and over 180 days were RMB5,833.1 million (31 December 2024: RMB5,831.3 million), RMB1,227.9 million (31 December 2024: RMB1,055.9 million) and RMB38.0 million (31 December 2024: RMB76.5 million) respectively.

ii. Inventory Turnover

As at 30 June 2025, the inventories have increased by RMB0.66 billion compared to 31 December 2024. The inventory turnover days increased to 73 days as at 30 June 2025 from approximately 60 days as at 31 December 2024.

Investing Activities

Net cash used in investing activities in 1H 2025 amounted to RMB1,983.5 million (1H 2024: RMB2,444.0 million). It mainly represents the cash used in CAPEX of RMB1,456.8 million (1H 2024: RMB936.9 million), acquisition of a subsidiary of RMB240.9 million (1H 2024: RMB1,472.8 million), addition of intangible assets of RMB194.4 million (1H 2024: 119.4 million), and acquisition of financial assets at FVTPL of RMB169.3 million (1H 2024: RMB8.2 million).

CAPEX included acquisition of land use rights, additional production plant and property, and, latest automation machinery and equipment for modifications and upgrades as well as capacity expansion. For 1H 2025 and 1H 2024, total CAPEX incurred were RMB1,444.3 million and RMB916.8 million respectively. Investing activities are focused on sustained CAPEX programs in building technology platform per the Group's business progress to capture new market opportunities and support its long-term business strategies. CAPEX are funded by internal resources and bank loans, and are subject to annual CAPEX budgeting and approval by the Board.

Financing Activities

The Group's net cash outflow from financing activities was approximately RMB830.1 million for 1H 2025. Major outflows were due to repayment of bank loans of RMB1,205.7 million (1H 2024: RMB1,126.7 million), shares repurchased of RMB723.3 million (1H 2024: RMB59.7 million), dividends paid of RMB251.0 million (1H 2024: RMB103.6 million), and interests paid of RMB180.3 million (1H 2024: RMB179.8 million), and major inflows from bank loans raised of RMB1,760.0 million (1H 2024: RMB2,260.1 million).

Cash and Cash Equivalents and Short Term Fixed Deposits

As at 30 June 2025, the unencumbered cash and cash equivalents and short term fixed deposits of the Group amounted to RMB7,751.2 million (31 December 2024: RMB7,538.2 million), of which 66.5% (31 December 2024: 48.7%) was denominated in US dollar, 28.2% (31 December 2024: 44.6%) in RMB, 1.8% (31 December 2024: 2.6%) in Euros, 1.3% (31 December 2024: 1.1%) in Singapore dollar, 0.6% (31 December 2024: 0.5%) in Hong Kong dollar, 0.4% (31 December 2024: 1.6%) in Vietnamese Dong, 0.2% (31 December 2024: 0.1%) in Malaysian Ringgit, 0.2% (31 December 2024: 0.2%) in South Korean Won and 0.8% (31 December 2024: 0.6%) in other currencies.

Gearing Ratio and Indebtedness

As at 30 June 2025, the Group's gearing ratio, defined as total loans and unsecured notes divided by total assets, was 21.2% (31 December 2024: 20.0%). Netting off cash and cash equivalents and short term fixed deposits, net gearing ratio was 4.7% (31 December 2024: 3.8%).

As at 30 June 2025, the unsecured notes of the Group were RMB3,707.0 million (31 December 2024: RMB3,720.5 million), the short-term bank loans and long-term bank loans of the Group amounted to RMB774.1 million (31 December 2024: RMB1,728.0 million) and RMB5,480.6 million (31 December 2024: RMB3,883.1 million) respectively.

Charges on Group Assets

Apart from pledged bank deposits amounting to RMB0.2 million as at 30 June 2025 (31 December 2024: RMB0.5 million) and restricted bank deposits of nil as at 30 June 2025 (31 December 2024: RMB5 million), no other group assets were charged to any financial institutions.

Contingent consideration payables

Details of contingent consideration payables are included in Note 19 to the Condensed Consolidated Financial Statements.

OFF-BALANCE SHEET TRANSACTIONS

As at 30 June 2025, the Group had not entered into any material off-balance sheet transactions.

EVENTS AFTER THE REPORTING PERIOD

For details of the events after the reporting period, please refer to Note 22 to the Condensed Consolidated Financial Statements.

Key Risk Factors

The Company is committed to building sustainable risk management and operational information systems. We have been focusing on systematic review and upgrading our risk and control measures in chosen business processes, benchmarking against international best practices. Such systems are designed to manage the risk of failure to achieve business objectives, and can provide reasonable assurance against material misstatement or loss. Certain key risk factors affecting the Group are outlined below. The list of these factors is non-exhaustive, and there may be other risks and uncertainties which are not known to the Group or which may be immaterial now but could become material in the future.

Our Risk Governance Structure

The Board recognizes its joint responsibility for supervising the risk management and internal control systems, including the ESG (Environmental, Social, and Governance) risks of the Group, and for annually reviewing their effectiveness via the Audit and Risk Committee and the Sustainability Committee (collectively referred to as the "Two Committees"). The Audit and Risk Committee helps the Board carry out its corporate governance duties in overseeing the Group's strategic, market, operational, financial, and compliance risks, as well as the resourcing of both financial and internal audit functions. Meanwhile, the Sustainability Committee is in charge of climate, health and safety, and cyber – security risks, along with ESG performance and reporting compliance.

The Company has set up an ERM (Enterprise Risk Management) framework to effectively identify, evaluate, mitigate, and monitor the sustainability risks. The Board and the Two Committees are committed to improving their governance practices by making sure that there are robust mechanisms for comprehensive risk supervision. Through continuous commitment to the ERM framework, the Group aims to foster a culture of accountability and transparency in managing sustainability risks.

Risks Pertaining to the Smartphones Market

A substantial part of the Group's revenue is derived from the smartphone sector of the consumer electronics market. There are uncertainties due to the potential slow-down in global economy and the ensuing dampened consumer sentiment and weaker demand. The global economy faces challenges as geopolitical complexities intensify, which may affect our operating results and financial performance. To tackle this, the Group is continuously widening its products and technologies platforms to extend its reach to different end applications, including a recent major acquisition made in automotive market, so as to diversify the sources of revenue and profit to reduce its dependency on any single market segment. According to the climate scenario analysis, shifting market preferences with low-carbon products is one of the most important opportunities. The growth of electric vehicle (EV) market and existing strategic partnerships with EV brands will lead to new revenue streams.

Reliance on a Number of Key Customers

The Group's five largest customers, which accounted for 68.8% of the Group's total revenue for 1H 2025, are all related to the consumer smart devices industry, characterized by innovation-driven and user experience-oriented business growth. Loss of or changes in market position of any of these customers may materially and adversely affect the Group's business, financial condition and results of operations. Nevertheless, the Group has focused on technology innovation to continuously enhance user experience meeting customers' specification upgrade needs. We have also implemented standardized procedures for handling all forms of customer information to ensure it is not improperly or inadvertently disclosed to third parties. The Group has established strong relationships with these major customers; all of them have been our long-standing customers with good credit records.

Key Risk Factors

Production Disruption due to Unforeseeable Events and Supply Chain Adversities

Geopolitical events among different nations may impose unpredictable impacts to the global markets and the Company, such as disruption to the global supply of commodities including base metals and driving up the commodities' prices. Any continuous increase in the prices of raw materials might lead to margin compression. Furthermore, geopolitical uncertainties may directly or indirectly impact the Group's customers, which in turn may disrupt supply chain and impact end-consumer demand.

Supply chain challenges to meet environmental, health and safety standards, may also adversely affect production schedule which may potentially result in customer dissatisfaction, reputational damage and financial losses. These are the transition risks in relation to policy and legal risk and market risk.

To address these risks, the Group established the Quality and Operations Committee. The committee actively monitors the regulatory environment and allocates resources to plan and comply with regulatory requirements and customer demands. A robust quality management system has been implemented to ensure that all production facilities are certified under the International Organization for Standardization (ISO) standards for quality management and the International Electrotechnical Commission Quality Assessment System for Electronic Components (IECQ) standards for electronic component quality. The Company conducts internal and external audits every year to ensure the efficacy of its product quality and procurement channels. Additionally, the Group has established a robust supplier management process and adopted long-standing Supplier Code of Conduct, requiring suppliers to maintain compliance with various standards, including labor and human rights protections, health and safety regulations, and environmental safeguards. Ultimately, this will lead to the development of low-carbon supply chain. This proactive approach not only mitigates risks but also enhances the overall resilience of the supply chain.

Operational, Technology Obsolescence and ESG Considerations

The Group's operations comprised design and delivery of innovative technology solutions. Our business remains dedicated to advancing miniature components while developing cutting-edge products and technologies platforms. However, changes in technological design and performance specifications or related external factors linked with environmental, social, and governance (ESG) considerations may have various levels of negative impact on our operational outcome. In meeting future design specifications and production quality requirements, the Group has implemented robust processes to ensure standards are met.

The Group ensures that its new technology solutions and miniature components align with sustainability standards. This includes applying eco-friendlier materials, and ceasing the use of conflict minerals, promoting energy efficiency, and considering the recyclability of products. Changes in environmental regulations or shifts in consumer preferences towards more sustainable products could impact the Group's operations and lead to product obsolescence, necessitating a proactive approach to environmental considerations in product design and development. The Group has established a quality management system that ensures all products undergo thorough testing to meet customer requirements, hazardous waste management requirements and international standards. This system, as part of our operational "big data" system, is continuously evaluated and improved internally.

The Group's annual budget includes significant investment in R&D in order to build sustainable technology roadmaps, explore more sustainable revenue stream products and intellectual property portfolios. As data security is a critical concern, the Group treats information security as a strategic priority. The Group has implemented comprehensive measures to protect data assets from breaches, leaks, and hacks, which are also essential for maintaining customer trust and avoiding reputational damage. Moreover, adhering to social standards and regulations, such as the Ethical Trading Initiative and Social Accountability 8000 International Standard, the Group constantly considers social impact of its technologies, ensuring social equalities and that positive contributions are made to society.

Key Risk Factors

Climate Resilience and Adaption

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on ESG considerations relating to businesses, such as climate change, suppliers' complying with ESG criteria and human resources management. In addition, the Company makes statements about its goals and initiatives through its various non-financial reports, information provided on its website, press statements and other communications. Responding to these ESG considerations and implementation of these initiatives involves risks and opportunities.

The Company has published stand-alone annual Sustainability Reports since 2012. Continuously, ESG-related reporting obligations and compliance practices are to evolve, which may expose the Group to increased costs, reputational risks and other potential adverse effects, such as attention on climate change. Climate change presents significant and acute transition risks to businesses and communities globally. Prolonged and extreme weather increases operational complexities, as well as manufacturing and maintenance cost. Furthermore, employees' health may also be impacted. Trending customers' preference for green products may impact revenue due to change in product demands. And, enactment of more stringent laws and regulations to environmental impact may also increase our compliance costs.

The Group has established the Sustainability Committee and reorganized the Sustainability Working Group in 2024. A comprehensive Climate Change Policy has been implemented to drive sustainability progress and manage climate impacts through mitigation, adaptation, and resilience strategies. Our commitment to integrating climate-related issues into our sustainability management system includes the ISO standard of environmental management and energy management. To enhance long-term energy conservation opportunities, the Group continues to adopt energy-saving technologies, establish energy-efficiency facilities and develop sustainable products.

Liquidity and Interest Rate Risk

The Group manages liquidity risk by maintaining an adequate level of cash and cash equivalents through continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group is exposed to interest rate risks on its bank loans for working capital and CAPEX that are associated with the expansion of the Group. The Group focuses on mitigating the liquidity and interest rate risks, with an appropriate mix of RMB/USD borrowings that are constantly reviewed and adjusted. The Group's USD deposits served as a natural hedge to the risk of interest rate volatilities to some extent. The Group also maintains an appropriate mix of fixed/floating rate debts, an even debt repayment profile and a diversified source of funding, including the issuance of long term five-year and ten-year unsecured notes. As at 30 June 2025, over 73.8% of debts were fixed rate debts.

The Group's financial assets include cash and cash equivalents, short term fixed deposit, pledged bank deposits, restricted bank deposits, trade and other receivables, amounts due from related companies, derivative financial instruments, financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income, which represent the Group's maximum exposure to credit risk in relation to financial assets. The credit risk on liquidity is limited because the counterparties are established banks with good credit-ratings.

Foreign Exchange Risks

Given our international operations and presence, the Group faces foreign exchange exposures including transaction and translation exposures, and is exposed to exchange rate risks that could impact financial reporting results. The Group's current reporting currency is RMB and our sales outside China are predominantly denominated in USD.

Key Risk Factors

It is the Group's consistent policy to centralize foreign exchange management to monitor total foreign currency exposure, to net off affiliate positions, and, if necessary, to consolidate hedging transactions with banks. The cash inflow to the Group in denomination of the two currencies, namely RMB and USD, are mostly, over time, in balanced proportions. In addition, various bank facilities have been arranged in these two currencies, to meet our daily operating expenses and capital investment requirements. Hence, in our operating business model, the Group's revenue is mostly matched to the currencies of the outlay. As far as possible, the Group aims to achieve natural hedging by investing and borrowing in the functional currencies. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts.

On-going Global Trade Frictions

Prolonged trade frictions might lead to a slowdown of the global consumer electronic and automotive markets and a decline in the orders by the key customers of the Group, which could have a material adverse effect on the Group's business, results of operations and financial conditions. Furthermore, other related regulations and government measures including tariffs, export controls, economic sanctions and similar regulations may include additional costs, restrictions and prohibitions on the sale or supply of certain products and on the transfer of parts, components, and related technical information and know-how to certain countries, regions, governments, persons and entities.

The Group is committed to complying with applicable laws and regulations related to export controls and economic sanctions. As at the date of this interim report, the Group's results of operations have not been materially affected by the expansion of relevant laws and regulations such as export control and economic sanctions, or the new rules or measures adopted to counteract them. Nevertheless, depending on future developments in the global trade tensions, there is no assurance that such regulations, rules, or measures will not have an adverse impact on the Group's business and operations.

The Group has implemented a trade control compliance management system and has set up a trade compliance committee for overall management of the Group's trade compliance activities initiatives. The Trade Compliance Department is to coordinate with and support other departments on trade compliance matters. The Group's dedication to R&D to develop proprietary innovative technologies, and the Group's strategy in integrating R&D all over the world with our diversified manufacturing bases should help to continue to provide the best solutions to customers and mitigate some of the adverse business impact of the trade frictions.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and the results of operation of the Group as set out in this interim report are historical in nature and past performance is not a guarantee of future performance. This interim report may contain certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this interim report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Besides, this interim report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

Corporate Governance

CORPORATE GOVERNANCE POLICY AND PRACTICES

The Board and the Company consider effective corporate governance not only a safeguard of the interests and confidence of our stakeholders, but also a key component in the Group's sustainable long-term development and value creation. Our Board, which is at the centre of our corporate governance structure, has regularly reviewed and refined principles, policies and practices on the conduct with an aim to support the growth of the Group's operations. Our sound corporate governance structure includes a quality Board, high standards of corporate responsibility and sustainability awareness, a high degree of transparency, accountability and independence, and, an effective design, implementation and enforcement of the risk management as well as internal control systems. Based on regular reviews of the Company's actual performance against the CG Code in Appendix C1 to the Hong Kong Listing Rules, the Board is satisfied that throughout 1H 2025, the Company has complied with all the Code Provision(s).

The Board recognizes the need to continuously adapt and improve our corporate governance policies and practices in light of our experience, increasingly stringent regulatory requirements, international developments and stakeholders' expectations. It is committed to high standards of disclosure as well as to excellence in corporate governance. The Company's Corporate Governance framework comprises the following key components:

I. Board, Executive Management and Corporate Culture
II. Governance Structure and Board Committees
III. Corporate Governance Code
IV. Legal and Regulatory Compliance
V. Joint Company Secretaries
VI. Internal Audit, Risk Management and Internal Control
VII. External Statutory Audit
VIII. Sustainability Governance
IX. Shareholders Engagement and Value
X. Shareholders' Rights

Details of the key components related to Corporate Governance framework are also available on the website of the Company.

BOARD, EXECUTIVE MANAGEMENT AND CORPORATE CULTURE

The overall stewardship of the Company's operations is vested in the Board. Our Chairman, an INED of the Company, is to lead the Board to take central responsibilities to formulate, approve, evaluate and regulate the overall purpose, values, strategic directions and policies of the Company and ensure they are aligned with the Company's culture. In doing so, the Board will oversee and review the Company's business including operating performance, effectiveness of risk management and internal control systems, corporate governance policies, compliance, organization structure and management's performance.

The Board ensures that corporate culture is developed and reflected consistently in the operational management of the Group, workplace policies and practices as well as relations with stakeholders, through active collaboration, effective engagement and regular training at all levels. The core values in the Group's corporate culture include customer experience, winning the talent, innovation focused, agile collaboration and professionalism, and they are encompassed in a range of measures and tools over time, including workforce engagement, employee retention and training, stringent financial reporting, effective and accessible Whistleblowing Policy and Anti-Fraud and Anti-Bribery Policy, legal and regulatory compliance (including compliance with the Code of Conduct and other Group policies), as well as staff safety, wellbeing and support. Our mission and development strategies in achieving our mission are set out in the inside cover and the section headed "Core Development Strategies" on page 3 of this interim report. Details of our sustainability strategy, governance and implementation are set out on pages 38 to 40 of this interim report.

Corporate Governance

The positions of Chairman and CEO are separate. Our CEO has the overall responsibility for carrying out the strategy and direction set by the Board and, assisted by the EVP, for managing the Group's business. During this first half year, management runs the day-to-day operation following the related financial limits for a schedule of matters designated to management approved by the Board. Management is to submit business plans or investment proposals to the Board if they fall outside the designated limits. The Board also reviews and approves the annual operating and capital budgets, and when appropriate, incremental items/amounts outside the approved budgets will be raised to the Board for approval. Under the supervision of CEO and the EVP, management is responsible for the daily operations of the Group. Key updates on business operations, financial results and strategic matters are provided to the Board on a timely basis.

GOVERNANCE STRUCTURE & BOARD COMMITTEES

Composition of Board and Committees as at 21 August 2025 (the date of this interim report)

Board of Directors	
Zhang Hongjiang	(INED & Chairman of the Board)
Kwok Lam Kwong Larry	(INED)
Peng Zhiyuan	(INED)
Wu Ingrid Chun Yuan	(NED)
Pan Benjamin Zhengmin	(ED & CEO)
Mok Joe Kuen Richard	(ED & MD)

Audit and Risk Committee* (all INEDs)	Nomination Committee* (all INEDs)	Remuneration Committee* (all INEDs)	Sustainability Committee*
Established in April 2005	Established in April 2005	Established in April 2005	Established in May 2024
Members	**Members**	**Members**	**Members**
Kwok Lam Kwong Larry (Chairman)	Zhang Hongjiang (Chairman)	Peng Zhiyuan (Chairman)	Mok Joe Kuen Richard (Chairman)
Peng Zhiyuan	Kwok Lam Kwong Larry	Kwok Lam Kwong Larry	Kwok Lam Kwong Larry
Zhang Hongjiang	Peng Zhiyuan	Zhang Hongjiang	Pan Kaitai Kelvin (EVP)
			Peng Zhiyuan
			Wu Ingrid Chun Yuan

* There is no fixed term of office of the Board Committee members. The Board will review the same periodically.

The Directors who stood for re-election at the AGM held on 22 May 2025, namely Mr. Zhang Hongjiang and Mr. Pan Benjamin Zhengmin were re-elected with the approval of the Shareholders. There was no change to the composition of the Board during 1H 2025.

Corporate Governance

The Board's Roles and Responsibilities

Our Board plays more than a key role in our Corporate Governance Framework. Under the leadership of our Chairman, the Board actively promotes the success of the Group by directing and supervising its affairs in a responsible and effective manner.

Some of the key responsibilities of the Board include:

Strategy & Management

- The Board will formulate, update and refine the Group's strategy and business objectives.
- Every quarter, major investing and financing activities will be approved and management is evaluated on the implementation progress to monitor the Group's businesses against plan and budget.
- Overseeing the Group's relationships with stakeholders.

Corporate Governance & Risk Management

- The Board will approve amendments to corporate governance policies and review implementations related to Group's corporate governance, internal controls and risk management.

Financial Results

- The Board will approve the Group's annual budgets, interim and annual financial statements and results announcements, recommend reappointment of external auditor and declare interim and final dividends (if any).

Effectiveness of Board Committees

- The performances of the Board and the Board Committees are evaluated annually.
- All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

Sustainability Governance

- The Board will evaluate the Group's sustainability standards, priorities and goals, and refine the Group's strategies, policies and practices on ESG aspects.
- The performances of the Sustainability Committee and Sustainability Working Group are evaluated annually.
- The Board will consider and approve the Group's annual sustainability report.

Corporate Governance

Board Committees & Executive Management Structure

In discharging its governance and other responsibilities, the Board has established individual Board Committees with defined terms of reference to assist the full Board. The four Board Committees are illustrated in the following governance structure:

BOARD OF DIRECTORS

- Collectively responsible for long-term success of the Group and interests of Shareholders
- Oversees overall governance, financial performance and sustainability development of the Group

EXECUTIVE DIRECTORS & EXECUTIVE VICE PRESIDENT

- Delivers the Company's strategies and objectives including assessing and identifying technology trends and development, for the Company
- Day-to-day management of the Group's businesses operation
- Analyses the global market situation and sales performance of the Company's products
- Provides input on reviews of production planning
- Conducts products and key accounts analysis
- Implements sales & products strategy for business units
- Estimates products sales status and forecast

→ Operations

AUDIT AND RISK COMMITTEE

- Ensures proper financial reporting and disclosure
- Reviews risk management, compliance and internal control systems
- Ensures prudent and effective controls are in place to duly assess and manage risks
- Reviews the Company's policies and practices on corporate governance
- Reviews the compliance with legal and regulatory requirements
- Reviews the Company's compliance with the CG Code and disclosure of the CG report
- Monitors internal audit, oversees the relationship and coordination between the Company, head of internal audit and external auditor

→ Internal Audit Team/External Auditor

NOMINATION COMMITTEE

- Recommends Board appointments and ensures proper and transparent procedures
- Reviews structure, size, composition and diversity of the Board
- Assesses independence of INEDs
- Succession planning for the chief officers
- Reviews and monitors training and continuous professional development of Directors
- Being consulted upon the hiring, promotion and appointment of senior management

REMUNERATION COMMITTEE

- Sets remuneration policy and structure for EDs, NEDs (including INEDs) and senior management
- Plans and reviews management's remuneration proposals with reference to the Board's corporate goals and objectives
- Determines EDs' and senior management's remuneration and incentives

→ Board Composition/Senior Management/Human Resources (Nomination Committee and Remuneration Committee)

SUSTAINABILITY COMMITTEE

- Oversees and reports to the Board on the Company's strategies, policies and practices on sustainability matters
- Reviews and evaluates the adequacy and effectiveness of the Group-level policies related to ESG matters including:

  (i) climate change;

  (ii) code of business conduct and ethics;

  (iii) labour standards;

  (iv) supplier code of conduct, procurement regulations;

  (v) any other updates by the Company's management

→ Sustainability Development

Details of the responsibilities of the Board Committees are set out below. Their terms of reference, including their duties, have been published on the websites of the Hong Kong Stock Exchange and the Company.

Corporate Governance

Delegation by the Board

In addition to the individual Board Committees, established to assist the full Board in specific areas, the responsibilities for delivering the Company's strategies and objectives, and day-to-day management of the Group's businesses are delegated to the EDs, the EVP, and the team of senior management.

Board Process

Board meetings are held regularly and at least four times a year at approximately quarterly intervals with active participation of the Directors, either in person or through electronic communication. Apart from the regular scheduled Board meetings, other Board meetings will be held in occasions when appropriate, such as disclosure of inside information, publishing announcements and reviewing significant investment opportunities.

Individual Board Committees

Audit and Risk Committee

Roles and Authority

The Audit and Risk Committee's responsibilities include the oversight of the integrity of the Company's financial statements and assisting the Board in the evaluation of management in the design, implementation and monitoring of the Company's risk management, compliance and internal control systems on an ongoing basis. The Company has a structured risk management and internal control systems for the management of strategic, market, operational, financial and compliance risks. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Audit and Risk Committee needs to oversee management while ensuring that it does not step into the management's role. The Audit and Risk Committee relies on management's assessment of key risks and mitigating controls at each major operating unit and on internal audit to provide an objective view on how effectively the risk assessments and controls are operating. The external auditor also provides the Audit and Risk Committee with assurance regarding the Company's financial reporting and any material weaknesses in internal control and risk management that they might come across as part of their review considered relevant to the audit. The Audit and Risk Committee oversees the relationship and coordination among the Company, internal auditor and external auditor.

The Audit and Risk Committee, together with the Company's external auditor, has reviewed the interim report of 2025 and the unaudited condensed consolidated financial statements for 1H 2025. Members of the Audit and Risk Committee agree with the accounting treatments adopted in the preparation of the condensed consolidated financial statements.

Nomination Committee

Board Diversity

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and has adopted a Board Diversity Policy which is available on the Company's website. A truly diverse Board will include and make good use of differences in the knowledge, skills, business perspectives, geographic and industry experience, culture, background, ethnicity, independence, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition and complementary of the Board. All Board appointments will be based on meritocracy while taking into account diversity including gender diversity.

Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, business perspectives, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board and the strategic success of the Company.

The Board is comprised of one female Director and five male Directors. The senior management as set forth on pages 31 to 32 of the 2024 annual report of the Company consists of one female and two males. Our ultimate goal is to achieve gender parity on the Board and senior management leadership.

Our Directors are from diverse and complementary backgrounds. Their valuable experience, expertise and, to some extent, their involvement with other public or private appointments, are critical for the long-term growth of the Company. The Board's composition as at the date of this interim report under diversified perspectives is summarized as follows:

Name		Pan Benjamin Zhengmin	Mok Joe Kuen Richard	Wu Ingrid Chun Yuan	Zhang Hongjiang	Kwok Lam Kwong Larry	Peng Zhiyuan
Gender		**Male**	**Male**	**Female**	**Male**	**Male**	**Male**
Age		**56**	**61**	**54**	**64**	**69**	**52**
Academic Background		Graduated from the Jiangsu Province Wujin Teacher School	Bachelor of Economics	Graduated from Changzhou School of Public Health	Ph. D in Electrical Engineering Bachelor of Science	Master of Laws Bachelor of Economics/ Accounting	Master of Business and Administration Bachelor of Engineering and Finance
Length of service		21 years	20 years	21 years	6 years	7 years	6 years
Skills, knowledge & professional experience	(a) Accounting & Finance		✓	✓		✓	✓
	(b) Corporate Social Responsibility/ Sustainability		✓	✓		✓	✓
	(c) Executive management and leadership skills	✓	✓	✓	✓	✓	✓
	(d) Financial Service					✓	✓
	(e) Human Resources		✓	✓			
	(f) Information Technology & Security				✓		
	(g) Investment Banking	✓	✓	✓		✓	✓
	(h) Investor Relations	✓	✓				✓
	(i) Legal		✓			✓	
	(j) Other listed Board Experience/Role			✓	✓	✓	
	(k) Risk Management		✓			✓	✓
	(l) Strategic Planning	✓	✓		✓	✓	✓
	(m) Technologies & Manufacturing	✓	✓	✓	✓		✓

The Nomination Committee reviewed the Board's composition under diversified perspectives and monitored the implementation of the Board Diversity Policy and considered that the said policy is effective.

Roles and Authority

The Nomination Committee is responsible for reviewing, advising and making recommendations to the Board on matters in relation to the composition, structure, size and diversity of the Board, the appointment and re-appointment of Directors and the assessment on independence of INEDs and ensuring the proper and transparent procedures for the appointment and re-appointment of Directors, succession planning for the chief officers. The Nomination Committee is also consulted upon the hiring, promotion and appointment of senior management.

Nomination Policy & Practice

The Company has adopted a nomination policy for setting up a formal, considered and transparent procedure to help identifying and nomination of candidates for Directors. All valid nomination of candidates, accompanied with details of their biographical backgrounds, would be presented to the Board for consideration as soon as practicable. Consideration would be given to factors such as the candidate's integrity, experience and qualifications relevant to the Company's business. It is believed that members of the Nomination Committee collectively would have required relevant knowledge and skills to identify, invite and evaluate qualifications of nominated candidates for directorship.

Remuneration Committee

Roles and Authority

The principal responsibilities of the Remuneration Committee are to advise the Board in relation to the overall remuneration policy and structure of the EDs and senior management, and to review the fees and remuneration of the Chairman and other NEDs (including INEDs) prior to the AGM. In addition, the Remuneration Committee considers management recommendation for key terms of new compensation and benefits plans and reviews management's remuneration proposals with reference to the Board's corporate goals and objectives.

Sustainability Committee

Roles and Authority

The Sustainability Committee ("SC") was established in May 2024 pursuant to the resolutions passed by the Board and has its Terms of Reference adopted by the Board in July 2024. The SC is responsible for reviewing and endorsing the Company's strategies, policies, practices, and goals, and reporting these to the Board. Under its Terms of Reference, the Sustainability Committee has a range of responsibilities and has set up a Sustainability Work Group ("SWG") led by EVP with officers responsible for different functions of the Group. The SC receives reporting from the SWG on its review and evaluation of the adequacy and effectiveness of group – level policies associated with sustainability. Emerging sustainability issues and trends in national and international standards that may impact the Group's business operations and performance are also monitored.

Climate and environment related risks, part of the Group's ERM, assessed and monitored jointly with the Audit and Risk Committee, are assessed and managed by the SC; and, when necessary, corrective remedial plans are actioned by the SWG.

Last but not the least, the SC and the SWG also monitor and evaluate the impact and obtain feedback on the Company's sustainability strategies and practices with its stakeholders, ensuring integrity, completeness and relevance of all disclosure and communication.

Human Resources

As at 30 June 2025, the Group employed 44,181 permanent employees, representing a 18.5% increase from 37,273 employees as at 31 December 2024. In 1H 2025, the Group welcomed the expanded factory operations in China, Malaysia, Vietnam and Czech Republic due to the increased market demand and production throughput, which outpaced the Group's human capital efficiency improvement achieved by advanced production methodologies and automation. The Group's R&D and sales team was also expanded for its ever-diversifying product range and increased sales volume. Heavy and continuous investment in R&D activities provided a solid foundation in pioneering leading edge technologies in the industry.

Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. Management from time to time reviews the Group's remuneration policy based on benchmarking results, and fairly rewards its employees based on individual performance. In addition to basic salaries, allowances, social insurance and mandatory pension fund contribution, certain employees and employee groups are also eligible for the Group's bonus plan and share schemes. In 2025, more employees had been elected to the Group's share schemes as part of the Group's reward programme.

As required by the relevant regulations, the Group has been participating in the social insurance schemes operated by the relevant local government authorities in the PRC, and in the mandatory pension fund as well as social insurance schemes for its employees in the Czech Republic, Denmark, Finland, Hong Kong, India, Japan, Malaysia, Singapore, South Korea, Taiwan, the United Kingdom, the United States, and Vietnam; and adding from the acquisition of PSS, Belgium, Germany, Hungary and Mexico.

Share Award Schemes & Subsidiary Share Incentive Scheme

2016 Share Award Scheme

As announced by the Company on 23 March 2016, the Board resolved to adopt a share award scheme (the "2016 Share Award Scheme") in which the Employees (other than the Excluded Employees) may be selected by the Board to participate. The 2016 Share Award Scheme was amended with effect from 28 April 2025 to, amongst others, (i) remove relevant clauses for issuing or allotting new Shares to the 2016 Scheme Trustee; and (ii) allow the Shares held by the 2016 Scheme Trustee, except for the outstanding awarded Shares being held by the 2016 Scheme Trustee for the benefit of the employees under the 2016 Share Award Scheme, to be transferred to other trustee(s) of any other trust(s) constituted or to be constituted for the purpose of implementing share award scheme(s) that has been adopted and/or may be adopted by the Company at any time during or after the trust period upon written instructions by the Board to the 2016 Scheme Trustee.

The purpose of the 2016 Share Award Scheme is to permit the Company to grant awards to the Selected Employees as incentives for their contributions to the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board pursuant to the scheme rules of the 2016 Share Award Scheme (the "2016 Scheme Rules"), the 2016 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on 23 March 2016.

In this section, Employee(s) refers to any employee (including without limitation any ED but excluding any NED or INED) of any member of the Group; Excluded Employee(s) refers to any Employee who is resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the 2016 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the 2016 Scheme Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee; Selected Employee(s) refers to Employee(s) selected by the Board pursuant to the 2016 Scheme Rules for participation in the 2016 Share Award Scheme.

Subject to the provisions of the 2016 Scheme Rules, the Board may, from time to time, exercise its absolute discretion in selecting any Employee (other than any Excluded Employee) for participation in the 2016 Share Award Scheme as a Selected Employee, and grant such number of awarded Shares to any Selected Employee at no consideration. The 2016 Scheme Rules do not provide for any amount which will be payable on acceptance of the award or period within which payments must be made.

The maximum number of Shares that may be awarded under the 2016 Share Award Scheme during its term is limited to 1.65% (i.e. 19,775,250 Shares as at 21 August 2025) of the issued share capital of the Company from time to time. The maximum number of awarded Shares that may be granted to any one Selected Employee under the 2016 Share Award Scheme during its term shall not exceed 0.5% (i.e. 5,992,500 Shares as at 21 August 2025) of the issued share capital of the Company from time to time. Pursuant to the 2016 Share Award Scheme, Shares will be purchased on the Hong Kong Stock Exchange, by the 2016 Scheme Trustee at the cost of the Company and will be held by the 2016 Scheme Trustee on trust for the Selected Employee(s) under the 2016 Share Award Scheme before vesting.

Since the date of adoption of the 2016 Share Award Scheme and up to 30 June 2025, no new Shares have been issued to the 2016 Scheme Trustee pursuant to the 2016 Scheme Rules and trust deed of the 2016 Share Award Scheme. During the six months ended 30 June 2025, no Shares were purchased by the 2016 Scheme Trustee on the Hong Kong Stock Exchange for the purpose of the 2016 Share Award Scheme. The total number of Shares available for issue to, or purchase by, the 2016 Scheme Trustee under the 2016 Share Award Scheme are 250 Shares, representing approximately 0.00002% of the issued share capital of the Company as at 21 August 2025.

Since the date of adoption of the 2016 Share Award Scheme and up to 30 June 2025, (i) a total of 10,230,593 awarded Shares were granted to 340 employees at nil consideration, in which 2,722,799, 2,627,518 and 2,529,863 awarded Shares had been vested to employees on 24 March 2023, 24 March 2024 and 24 March 2025, respectively; and (ii) a total of 3,559,294 awarded Shares were granted to 536 employees on 23 May 2025 at nil consideration. The awarded Shares shall be vested in the grantees at nil consideration subject to the terms of the 2016 Share Award Scheme and the vesting conditions as set out in the respective grant notice to each grantee (including a period of continued service within the Group after the grant of the Award and performance targets which must be attained).

Given that no Shares will be issued in respect of the awarded Shares granted during the six months ended 30 June 2025, the number of Shares that may be issued in respect of the awarded Shares granted under the 2016 Share Award Scheme during the six months ended 30 June 2025 divided by the weighted average number of Shares in issue for the six months ended 30 June 2025 was nil.

As at 30 June 2025, the 2016 Scheme Trustee held a total of 12,378,531 unvested Shares under the 2016 Share Award Scheme, and the remaining Shares which could be further awarded under the 2016 Share Award Scheme were 8,335,776 Shares.

Details of the awarded Shares and a summary of the movements under the 2016 Share Award Scheme during 1H 2025 were set out as follows:

Grantees	Date of grant	Vesting period	Closing price of Shares immediately before the date of grant HK$	Number of awarded Shares: Unvested as at 1 January 2025	Granted during the period	Cancelled during the period	Lapsed during the period	Vested during the period	Unvested as at 30 June 2025	Weighted average closing price immediately before the date of vest HK$
Director of the Company										
Mok Joe Kuen Richard	24 March 2022	24 March 2023 – 24 March 2025	18.46	33,065	–	–	–	33,065	–	25.00
	23 May 2025	23 May 2026 – 23 May 2028	38.05	–	35,558	–	–	–	35,558	N/A
Other Grantees in aggregate	24 March 2022	24 March 2023 – 24 March 2025	18.46	2,580,173	–	–	83,375	2,496,798	–	25.00
	23 May 2025	23 May 2026 – 23 May 2028	38.05	–	3,523,736	–	–	–	3,523,736	N/A
Total:				**2,613,238**	**3,559,294**	**–**	**83,375**	**2,529,863**	**3,559,294**	

Notes:

(1) The maximum number of Shares that may be awarded under the 2016 Share Award Scheme during its term is 1.65% of the issued share capital of the Company from time to time. As at 1 January 2025, the awarded Shares available for grant under the 2016 Share Award Scheme were 11,811,695 Shares. As at 30 June 2025, the remaining Shares which could be further awarded under the 2016 Share Award Scheme were 8,335,776 Shares.

(2) On 24 March 2022, 10,230,593 awarded Shares were granted to 340 employees at no consideration. The awarded Shares shall be vested in the Grantees subject to the terms of the 2016 Share Award Scheme and the vesting conditions as set out in the respective Grant Notice to each Grantees (including a period of continued service within the Group after the grant of the award and performance targets which must be attained).

Such performance targets are applicable at an organization level and an individual level. Performance targets at the organization level comprise a mixture of key financial performance indicators in respect of the relevant organization (such as the Group, business units or production lines) to which the relevant grantee is attached. Performance targets at the individual level are linked to a comprehensive appraisal of each individual grantee's performance and contribution to the Group. As disclosed in the Company's announcement dated 23 March 2016, the Board may at its absolute discretion decide performance target(s) which must be attained from time to time. After due consideration and assessment, the Board has decided to adopt the aforementioned performance targets based on and in accordance with the 2016 Scheme Rules.

In order to provide enhanced incentive to the employees of the Group and to boost staff morale, the general vesting conditions as set out in the 2016 Scheme Rules, being the two performances as recorded in the audited consolidated statement of profit or loss and other comprehensive income of the Company in any financial year after the date of the grant of the relevant award: (i) the amount of the annual revenue shall have reached not less than RMB30,000,000,000, and (ii) the margin of recurring profit before taxation (reported profit after tax adjusted for non-recurring and exceptional items) shall not be less than the average of the same of the previous three years, namely 2013, 2014 and 2015), had been waived by the Board based on and in accordance with the 2016 Scheme Rules.

(3) *On 23 May 2025, 3,559,294 awarded Shares were granted to 536 employees at no consideration. The awarded Shares shall be vested in the Grantees subject to the terms of the 2016 Share Award Scheme and the vesting conditions as set out in the respective Grant Notice to each Grantees (including a period of continued service within the Group after the grant of the award and performance targets which must be attained).*

The performance targets will include the organization level performance and individual level performance:

Organization level performance:

The management of the Company will evaluate the performance of the applicable organizations for the relevant year, including, in particular, key performance indicators such as revenue, profit and target amount of the relevant business units, as well as projects undertaken by the functional departments, with which the relevant Grantees are involved.

Individual level performance:

The Group has implemented a performance appraisal system for its employees to evaluate their performance and contributions to the Group's objectives. The management of the Company will evaluate whether the Grantees meet the individual performance targets based on their performance appraisal results for the relevant year.

The general vesting conditions as set out in the 2016 Share Award Scheme, being the two performances as recorded in the audited consolidated statement of profit or loss and other comprehensive income of the Company in any financial year after the date of the grant of the relevant Award: (i) the amount of the annual revenue shall have reached not less than RMB30,000,000,000, and (ii) the margin of recurring profit before taxation (reported profit after tax adjusted for non-recurring and exceptional items) shall not be less than the average of the same of the previous three years, namely 2013, 2014 and 2015), have been waived by the Board accordingly.

(4) *According to the IFRS, the fair value of the Shares granted on each of 24 March 2022 and 23 May 2025 pursuant to the 2016 Share Award Scheme were determined with reference to market value (closing price) of the Shares at the respective date of grant. For details of the fair value of the awarded Shares at the respective date of grant, the accounting standard and policy adopted, and the fair value assumption, please refer to Note 17 to the condensed consolidated financial statements.*

2023 Share Award Scheme

As announced by the Company on 17 April 2023, the Board resolved to adopt a share award scheme (the "2023 Share Award Scheme") in which the Employees (other than the Excluded Employees) may be selected by the Board to participate. The 2023 Share Award Scheme was amended with effect from 22 May 2025 to, amongst others, (i) allow grants of the Awards to be satisfied by the issuance and allotment of new Shares and/or the transfer of treasury Shares; and (ii) correspondingly, bring it in line with the applicable requirements under Chapter 17 of the Listing Rules.

The purposes of the 2023 Share Award Scheme are: (i) to achieve the long-term business objectives of the Group; (ii) to implement the Group's long-term business strategy; (iii) to enhance the value of the Group; (iv) to advance the growth and achieve sustainable development of the Group; and (v) to enable the Employees to share the success in the growth of the Group. Subject to any early termination as may be determined by the Board pursuant to the scheme rules of the 2023 Share Award Scheme (the "2023 Scheme Rules"), the 2023 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on 17 April 2023.

In this section, Employee(s) refers to any employee (including without limitation any ED but excluding any NED or INED) of any member of the Group; Excluded Employee(s) refers to any Employee who is resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the 2023 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the 2023 Scheme Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee; Selected Employee(s) refers to Employee(s) selected by the Board pursuant to the 2023 Scheme Rules for participation in the 2023 Share Award Scheme.

Subject to the provisions of the 2023 Scheme Rules, the Board may, from time to time, exercise its absolute discretion in selecting any Employee (other than any Excluded Employee) for participation in the 2023 Share Award Scheme as a Selected Employee, and grant such number of awarded Shares to any Selected Employee. No consideration shall be payable by a Selected Employee for acceptance of the award granted under the 2023 Share Award Scheme.

The maximum number of Shares that may be awarded under the 2023 Share Award Scheme during its term is limited to 45,000,000 Shares, representing approximately 3.83% of the Shares in issue (excluding any treasury Shares) as at 21 August 2025. The maximum number of awarded Shares that may be granted to any one Selected Employee under the 2023 Share Award Scheme during its term shall not exceed 0.5% (i.e. 5,874,437 Shares as at 21 August 2025) of the issued share capital of the Company (excluding any treasury Shares) from time to time. Pursuant to the 2023 Share Award Scheme, Shares will be purchased on the Hong Kong Stock Exchange, by the 2023 Scheme Trustee at the cost of the Company and will be held by the 2023 Scheme Trustee on trust for Selected Employee(s) under the 2023 Share Award Scheme before vesting.

Since the date of adoption of the 2023 Share Award Scheme and up to 30 June 2025, no new Shares have been issued to the 2023 Scheme Trustee pursuant to the 2023 Scheme Rules and trust deed of the 2023 Share Award Scheme. During the six months ended 30 June 2025, no Shares were purchased by the 2023 Scheme Trustee on the Hong Kong Stock Exchange for the purpose of the 2023 Share Award Scheme. As at 30 June 2025, the 2023 Scheme Trustee held a total of 11,819,000 Shares under the 2023 Share Award Scheme.

Since the date of adoption of the 2023 Share Award Scheme and up to 30 June 2025, no Shares had been granted to Selected Employee(s) under the 2023 Share Award Scheme.

Subsidiary Share Incentive Scheme

In addition to the above Share Award Schemes, AAC Optics, a subsidiary of the Company, operates a subsidiary share incentive scheme (the "Subsidiary Share Incentive Scheme"). The purpose of the Subsidiary Share Incentive Scheme is to provide the selected employees of AAC Optics and relevant personnel a market-oriented incentive scheme and attract top talents. AAC Optics intends to incentivise and reward them for their commitment and dedication to its business expansion. The fair value of the restricted shares of AAC Optics granted is measured on the basis of a transacted price.

Corporate Governance

CORPORATE GOVERNANCE CODE

The Company has continued to fully comply with requirements of the Code Provisions for 1H 2025. The Board has ensured that the Chairman of the Board and the chairman of each Committees of the Board attend the AGM to answer questions that might be raised. To ensure a balanced understanding of the views of Shareholders is maintained by all INEDs, the Company provides Shareholders' feedback from the Company's investor relations reports from time to time.

The table below illustrates how and in what way the Company has already adopted the recommended best practices of the CG Code:

Recommended Best Practices	Adopted by the Company
Regular board evaluation	The Board conducts an annual evaluation of the Board's and the Board Committees' performance.
Management's confirmation on the effectiveness of risk management and internal control systems	The Board has received confirmation from management on a semi-annual basis.
A significant proportion of the executive Directors' remuneration should link rewards to corporate and individual performance	A significant proportion of an ED's remuneration has been correlated with the corporate and individual performance since his appointment.
No equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive Directors	No equity-based remuneration with performance-related elements were granted to INEDs.

LEGAL AND REGULATORY COMPLIANCE

Compliance

During 1H 2025, the Board continued to review the Company's legal framework on implementing policies and practices to ensure the operations of the Company are in compliance with existing or any new legal and regulatory requirements of all applicable jurisdictions, including updates of the Hong Kong Listing Rules and disclosure requirements under the Hong Kong Securities and Futures Ordinance, the Companies Act of the Cayman Islands as well as the Hong Kong Companies Ordinance.

The Company seeks to abide strictly by the governing laws and regulations of the jurisdictions where it operates through its subsidiaries or branches and observes the applicable guidelines and rules issued by regulatory authorities.

Model Code For Securities Transactions by Directors

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standards set out in the Model Code as mentioned in Appendix C3 to the Hong Kong Listing Rules.

On specific enquiries made, all the Directors have confirmed that they have complied with the required standard as set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions during 1H 2025.

Securities Dealing Restriction to Management and Staff

Our management and staff are subject to the Company's securities dealing restrictions for those who have access to potential inside information.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO which they are taken or deemed to have taken under such provisions of the SFO and pursuant to the Model Code, were as follows:

Long positions in Shares of the Company:

		Number of Ordinary Shares						Percentage of the
Name of Directors	Capacity	Personal interests	Corporate interests	Spouse interests	Trust interests	Interests in Treasury Shares	Total number of Shares	Company's Issued Shares as at 30 June 2025 [1]
Mr. Pan Benjamin Zhengmin ("Mr. Pan") [2]	Beneficial owner/interest of spouse/ interest of controlled corporation/ founder of a discretionary trust/others	70,262,162	51,439,440	263,420,525	54,238,524	23,612,500	462,973,151	38.62%
Ms. Wu Ingrid Chun Yuan ("Ms. Wu") [3]	Interest of spouse/interest of controlled corporation/founder of a discretionary trust/others	–	263,420,525	122,952,005	52,988,121	23,612,500	462,973,151	38.62%
Mr. Mok Joe Kuen Richard ("Mr. Mok") [4]	Beneficial owner/beneficiary of a trust (other than a discretionary trust)	279,195			35,558		314,753	0.02%

Notes:

(1) Percentage was computed based on 1,198,500,000 issued Shares (including treasury Shares) as at 30 June 2025.

(2) Mr. Pan beneficially owns 70,262,162 Shares. In addition, Mr. Pan is also deemed or taken to be interested in the following Shares for the purpose of the SFO:

(i) 51,439,440 Shares which are beneficially owned by Silver Island Limited, a company wholly-owned by Mr. Pan;

(ii) 263,420,525 Shares representing the aggregate of (a) 134,828,594 Shares which are beneficially owned by Sapphire Hill Holdings Limited and (b) 128,591,931 Shares which are beneficially owned by K&G International Limited. These two companies are wholly-owned by Ms. Wu and as Ms. Wu is his spouse, he is deemed to be interested in such 263,420,525 Shares;

(iii) 54,238,524 Shares representing the aggregate of (a) 50,618,699 Shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendants, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10 May 2005; (b) 2,369,422 Shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendants, as beneficiaries of the Pan 2005 Exempt Trust dated 10 May 2005. Two children of Mr. Pan and Ms. Wu are over the age of 18 and have no discretion over distributions or investments in these trusts until distribution is made to them; and (c) 1,250,403 Shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendant, as beneficiaries of the Pan 2020 Exempt Trust dated 3 December 2020. One child of Mr. Pan and Ms. Wu is under the age of 18 and has no discretion over distributions or investments in the trust until distribution is made to him; and

(iv) 23,612,500 Shares, being the Treasury Shares held by the Company, in which Mr. Pan and Ms. Wu are taken to have an interest by virtue of the SFO, as Mr. Pan and Ms. Wu together control one-third or more of the voting power at general meetings of the Company.

(3) Ms. Wu is deemed or taken to be interested in the following Shares for the purposes of the SFO:

(i) 263,420,525 Shares representing the aggregate of (a) 134,828,594 Shares which are beneficially owned by Sapphire Hill Holdings Limited; and (b) 128,591,931 Shares which are beneficially owned by K&G International Limited. These two companies are wholly-owned by Ms. Wu;

(ii) 122,952,005 Shares representing the aggregate of (a) 51,439,440 Shares which are beneficially owned by Silver Island Limited, a company wholly-owned by Mr. Pan; (b) 70,262,162 Shares which are beneficially owned by Mr. Pan; and (c) 1,250,403 Shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendant, as beneficiaries of the Pan 2020 Exempt Trust dated 3 December 2020, and as Mr. Pan is her spouse, she is deemed to be interested in such 122,952,005 Shares;

(iii) 52,988,121 Shares representing the aggregate of (a) 50,618,699 Shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendants, as beneficiaries of the Pan 2005 Irrevocable Trust dated 10 May 2005; and (b) 2,369,422 Shares which are deemed to be interested by Mr. Pan and Ms. Wu's descendants, as beneficiaries of the Pan 2005 Exempt Trust dated 10 May 2005. Two children of Mr. Pan and Ms. Wu are over the age of 18 and have no discretion over distributions or investments in these trusts until distribution is made to them; and

(iv) 23,612,500 Shares, being the Treasury Shares held by the Company, in which Mr. Pan and Ms. Wu are taken to have an interest by virtue of the SFO, as Mr. Pan and Ms. Wu together control one-third or more of the voting power at general meetings of the Company.

(4) On 24 March 2022, Mr. Mok was granted 99,195 awarded Shares pursuant to the 2016 Share Award Scheme. These Shares were fully vested on 24 March 2023, 24 March 2024 and 24 March 2025, respectively. On 23 May 2025, Mr. Mok was further granted 35,558 awarded Shares pursuant to the 2016 Share Award Scheme. Please refer to the section headed "2016 Share Award Scheme" for particulars of share awards granted to Mr. Mok.

Other than as disclosed above, as at 30 June 2025, none of the Directors of the Company, chief executive nor their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as recorded in the register of interests required to be kept by the Company under Section 352 of the SFO.

Disclosure of Conflict of Interest

Directors are requested to declare their personal or business interests, if any, in any transactions to be considered by the Board and such declaration of interest would be reviewed and discussed prior to the Board meetings and, as appropriate, Directors will or will be asked to abstain from voting in the meetings.

As at 30 June 2025, Ms. Wu, a NED of the Company, holding more than 5% of the Company's share capital had beneficial interests in one of the Group's five largest customers. The customer has the usual trading terms as any other customers of the Group. At no time during 1H 2025 and up to the date of this interim report, had Ms. Wu's interests in the customer exceeded 1%. To the knowledge of the Directors of the Company, Ms. Wu has never been a director, nor involved in management, of any of the Group's five largest customers or suppliers.

Save as disclosed above, none of the Directors of the Company, their close associates or any shareholder which to the knowledge of the Directors, owns more than 5% of the Company's share capital had an interest in any of the five largest customers or suppliers.

Corporate Governance

MATERIAL ACQUISITIONS AND DISPOSALS

Acquisition of Hebei First Light Auto Parts Co., Ltd.*

On 28 March 2025, AAC (China) Investment Group Co., Ltd.* (瑞聲(中國)投資集團有限公司) ("AAC Investment", an indirect wholly-owned subsidiary of the Company, formerly known as AAC (China) Investment Co., Ltd. (瑞聲(中國)投資有限公司)), entered into a share purchase and capital increase agreement with Hebei First Light Auto Parts Co., Ltd.* (河北初光汽車部件有限公司) ("Hebei First Light"), Mr. Yuan Changzuo and Mr. Zheng Xianjie (collectively, the "FL Founders"), pursuant to which AAC Investment agreed to acquire approximately 53.74% interests in Hebei First Light at the total consideration of approximately RMB288 million (the "FL Acquisition").

Completion of the FL Acquisition took place on 12 June 2025. Upon completion, Hebei First Light became an indirect non-wholly owned subsidiary of the Company. The FL Founders hold the remaining interests in Hebei First Light. The FL Founders, together with Hebei First Light's other existing core management, continue to manage the operations of Hebei First Light.

The FL Acquisition is expected to further enhance the Group's acoustic system solutions capabilities, including strengthening electronic component module competencies in consumer electronics and achieving a comprehensive closed-loop solution in automotive applications – spanning sound sensing, processing and audio playing. Subsequent to the FL Acquisition, the Group will leverage its established global network to accelerate Hebei First Light's international market expansion. For further information of the FL Acquisition, please refer to the announcement of the Company dated 28 March 2025.

Acquisition of Acoustics Solutions International B.V.

On 10 August 2023, AAC Technologies (Belgium) BV ("AAC Belgium") and AAC Technologies Pte. Ltd. (as the guarantor of AAC Belgium's obligations), both of which are wholly-owned subsidiaries of the Company, entered into a sale and purchase agreement (the "Sale and Purchase Agreement") pursuant to which AAC Belgium agreed to purchase all of the issued shares in Acoustics Solutions International B.V. (the "Target") from Acoustics Solutions Holding B.V. and Stichting Administratiekantoor Acoustics Solutions International (collectively, the "Sellers") in two tranches, with the First Tranche Shares and the Second Tranche Shares comprising 80% and 20%, respectively, of the issued shares in the capital of the Target (the "PSS Acquisition").

The First Tranche Purchase Price comprises the sum of: (i) US$320,000,000 (representing an equity value of US$400,000,000 for 100% of the Sale Shares) plus (ii) interest on the Initial Purchase Price calculated on a daily basis at the rate of 6.75% per annum from the First Tranche Effective Date (being 1 April 2023) to the date of First Tranche Completion less (iii) the Price Adjusting Leakage (if any). The Second Tranche Purchase Price comprises the sum of: (i) an agreed multiple of the Target EBITDA plus (ii) the Target Adjusted Net Financial Debt (Cash) multiplied by 20% (being the percentage of the issued share capital of the Target which the Second Tranche Shares represent) plus (iii) interest on the Second Tranche Purchase Price calculated on a daily basis at the rate of 6.75% per annum from the Second Tranche Effective Date (being 1 April 2025) (or the Postponed Second Tranche Effective Date, being 1 April 2026 or 1 April 2027) to the date of Second Tranche Completion. The purchase price amount of US$204,613,000, together with interest thereon, is the maximum price AAC Belgium will pay for the Second Tranche Shares.

As the highest applicable percentage ratio in respect of the PSS Acquisition exceeds 25% but is less than 100%, the PSS Acquisition constitutes a major transaction of the Company under Chapter 14 of the Hong Kong Listing Rules. Accordingly, the PSS Acquisition is subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Hong Kong Listing Rules.

The PSS Acquisition was approved by the Shareholders at the extraordinary general meeting convened on 6 February 2024.

The First Tranche Completion of the PSS Acquisition took place on 9 February 2024 in accordance with the terms of the Sale and Purchase Agreement. Immediately upon the First Tranche Completion, the Target became an indirect, 80%-owned subsidiary of the Company with its financial results consolidated with that of the Company.

The Second Tranche Completion of the PSS Acquisition took place on 31 July 2025 in accordance with the terms of the Sale and Purchase Agreement. The Second Tranche Purchase Price was determined in accordance with the Shareholders' Agreement and the total purchase price for the Second Tranche Shares was US$128.6 million together with interest thereon. Immediately upon the Second Tranche Completion, the Target became an indirect, wholly-owned subsidiary of the Company.

The Group commenced its business in automotive in 2021 and the PSS Acquisition is a strategic move designed to expedite the Group's diversification and enhancement of its audio solution portfolio in the automotive industry. The PSS Acquisition is not merely an addition to the Group's offerings but a significant transformation that will synergise with the Group's current strengths and enhance its position in the dynamic mobility market. With the benefit of the First Tranche Completion, the Group will integrate its existing capabilities with the Target Group's rich products portfolio, global manufacturing operations as well as solid established supply relationships with global original equipment manufacturers, and is set to deliver a broad set of innovative, both branded and unbranded, system solutions that will elevate the infotainment and sensory experience for users, marking a leap forward in the Group's offerings.

For more details of the background, the terms of the Sale and Purchase Agreement, the Shareholders' Agreement, the reasons for, and benefit of, the PSS Acquisition, the information of the Target Group and the Sellers, financial effects of the PSS Acquisition, accountants' report on the Target Group, management discussion and analysis of the Target Group, unaudited pro forma financial information of the Enlarged Group, please refer to the announcements of the Company dated 10 August 2023, 30 November 2023, 6 February 2024, 9 February 2024 and 31 July 2025 and the circular dated 18 January 2024. Unless otherwise defined, the capitalised terms referred in this section shall have the same meanings as those defined in the circular of the Company dated 18 January 2024.

Save for those disclosed in this interim report, there were no other significant investments held, nor were there other material acquisitions or disposals of subsidiaries during 1H 2025. Apart from those disclosed in this interim report, there were no material investments or additions of capital assets authorised by the Board at the date of this interim report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company believes that in addition to the sustained increase of earnings per Share and the intrinsic value per Share, the repurchase of the Company's Shares at the appropriate timing could also be an important metric to enhance long-term value of our Shareholders.

At the annual general meeting (the "2024 AGM") on 23 May 2024, the Company's shareholders granted a general mandate to the Directors of the Company to repurchase Shares of the Company (the "2024 Repurchase Mandate"). Pursuant to the 2024 Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares of the Company as at the date of the 2024 AGM. At the annual general meeting (the "2025 AGM") on 22 May 2025, the Company's shareholders granted a general mandate to the Directors of the Company to repurchase Shares of the Company (the "2025 Repurchase Mandate"). Pursuant to the 2025 Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares of the Company (excluding treasury Shares) as at the date of the 2025 AGM.

On 16 December 2024, the Company entered into an agreement (the "Broker Agreement") with an independent broker (the "Broker") under which the Broker was appointed to operate the Automatic Share Buy-back Program (as defined below). Pursuant to the Broker Agreement, the Company agreed parameters for the Broker to buy back up to HK$778 million (being the HKD equivalent of US$100 million) of the Shares on the Hong Kong Stock Exchange. The Broker would execute all buy-backs of the Shares in accordance with the parameters as set out under the Broker Agreement and act independently from and not influenced by the Company and its connected persons (as defined under the Hong Kong Listing Rules) (the "Automatic Share Buy-back Program"). The Automatic Share Buy-back Program was completed on 9 April 2025, in which a total of 19,676,000 Shares, representing 1.6417% of the total issued Shares were purchased on market.

On 9 April 2025, the Board authorized a new round of repurchases of Shares in the open market during the next 12 to 18 months, to a maximum aggregate amount up to HK$1.2 billion (the "Proposed Share Repurchase"). Together with the amount implemented under the completed Automatic Share Buy-back Program, and the maximum amount under the Proposed Share Repurchase, the aggregate amount of these repurchases shall not exceed HK$2.0 billion.

During 1H 2025, the Company repurchased a total of 21,482,000 Shares on the Hong Kong Stock Exchange, representing approximately 1.79% of the total issued Shares (i.e., 1,198,500,000 Shares) as at 30 June 2025, with the aggregate consideration paid amounting to approximately HK$858.33 million which was paid out from the Company's retained profits. All Shares repurchased during 1H 2025 were held as treasury Shares which are intended to be used for satisfying any future grants of awarded Shares of the Share Award Schemes as at the date of this interim report. During 1H 2025, no treasury Shares have been resold and accordingly, there were 23,612,500 Shares held by the Company in treasury as at 30 June 2025.

The share repurchase reflects the Company's solid financial position and the Board's strong confidence in the Company's future business prospects. The Directors of the Company believe that the share repurchase was in the interest of Shareholders as a whole.

Details of the Shares repurchased during 1H 2025 are as follows:

Month	Total number of the Shares repurchased	Purchase price paid per Share		Aggregate Consideration (1) (HK$'000)
		Highest (HK$)	Lowest (HK$)	
January 2025	4,033,500	40.05	34.55	148,066
February 2025	2,776,000	50.05	39.65	128,612
March 2025	3,862,000	54.35	43.65	186,437
April 2025	10,024,000	48.00	28.50	365,506
May 2025	786,500	39.90	35.80	29,706

Notes:

(1) Including brokerage, transaction levy, stamp duty and transaction cost of HK$23,573,000.

(2) All such repurchased Shares have been held as treasury Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares) during 1H 2025.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the register of interests and short positions kept by the Company under Section 336 of the SFO, other than the Directors and chief executive of the Company, showed that the following persons held interests or short positions in the Company's Shares and underlying shares, some of which represented the same batch of other interests of Mr. Pan and Ms. Wu as disclosed in the section of "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES" above:

Name of Shareholders	Capacity	Number of Shares	Derivative interest	Percentage of the Company's issued Shares as at 30 June 2025 [(1)]
JPMorgan Chase & Co. [(2)]	Interest of controlled corporation/ Person have security interest in shares/Investment Manager/ Trustee/Approved lending agent	56,728,585 (L)	3,623,786 (L)	5.03%
		1,048,655 (S)	3,182,922 (S)	0.35%
		13,272,370 (P)	–	1.10%

L – Long position
S – Short position
P – Lending pool

Notes:

(1) Percentage was computed based on 1,198,500,000 issued Shares (including treasury Shares) as at 30 June 2025.

(2) JPMorgan Chase & Co., through its various 100% controlled corporations ("JPMorgan Group"), is indirectly interested in (i) an aggregate of 56,728,585 Shares and listed derivative interests of 159,000 Shares with physically settled, unlisted derivative interests of 680,286 Shares with physically settled and unlisted derivative interests of 2,784,500 Shares with cash settled in long position; and (ii) an aggregate of 1,048,655 Shares and listed derivative interests of 276,000 Shares with physically settled, listed derivative interests of 61,000 Shares with cash settled, unlisted derivative interests of 735,857 Shares with physically settled, and unlisted derivative interests of 2,110,065 Shares with cash settled in short position. Among Shares held by JPMorgan Group in long position, 52,988,121 Shares were held by JPMorgan Group as a trustee, which formed part of other interests of Mr. Pan and Ms. Wu as disclosed in the section of "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES" above.

In addition to the above, JPMorgan Chase & Co. is also interested in 13,272,370 Shares in lending pool as described in the SFO. The term "lending pool" is defined as (i) shares that the approved lending agent holds as agent for a third party which he is authorised to lend and other shares that can be lent according to the requirements of the Securities Borrowing and Lending Rules; and (ii) shares that have been lent by the approved lending agent and only if the right of the approved lending agent to require the return of the shares has not yet been extinguished.

(3) Please refer to the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES" for the interests held by Mr. Pan, Ms. Wu and their associates, who are also substantial shareholders of the Company.

SHAREHOLDERS ENGAGEMENT AND VALUE

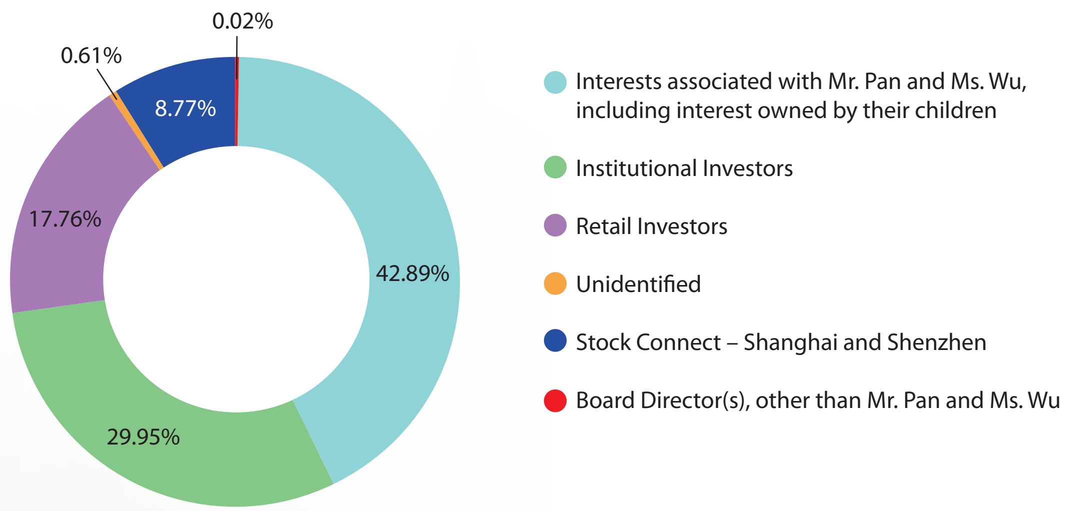
Shareholders

Almost all the Shareholders are holding the Company's Shares through nominees or intermediaries such as HKSCC Nominees Limited. Hence, the register of members of the Company only had 107 direct registered Shareholders as at 30 June 2025. Separately, as the Company's Shares are eligible for trading in the Shanghai/Shenzhen-Hong Kong Stock Connect, an aggregate shareholding was held through China Securities Depository and Clearing Corporation Limited as one single Shareholder, which as at 30 June 2025, amounted to 103.10 million shares, or representing 8.60% of total issued Shares, of the Company.

The Company analyses its shareholding structure on a regular basis, including a review of the register of institutional and retail investors, to keep track of changes in shareholdings by type of investors. A shareholding register analysis was conducted as at 30 June 2025 and revealed the shareholding structure as follows:

(I) Shareholders by Category:

(per Shareholder Analysis as at 30 June 2025, rounded down to nearest 0.01%)



Note: The approximate percentage of shareholding is calculated on the basis of 1,174,887,500 Shares in issue (excluding treasury Shares) as at 30 June 2025.

Corporate Governance

(II) Shareholders by Domicile:

	% of Total Issued Shares
Singapore	44.25
Hongkong, China	21.11
North America	12.81
China Mainland	9.78
United Kingdom	6.61
Europe (ex-United Kingdom)	4.20
Rest of World	1.24
Total	100.00

Notes:

1. The shareholding in Singapore included the interests associated with Mr. Pan and Ms. Wu.

2. 94.99% of the issued Shares (excluding treasury Shares) were held through HKSCC Nominees Limited.

3. The approximate percentage of shareholding is calculated on the basis of 1,174,887,500 Shares in issue (excluding treasury Shares) as at 30 June 2025.

Constitutional Documents

During 1H 2025, there was no amendment made to the Company's constitutional documents. An up-to-date consolidated version of the Memorandum and Articles of the Company is available on the websites of the Hong Kong Stock Exchange and the Company.

Sustainability

SUSTAINABILITY GOVERNANCE

With a continuous focus on enhancing the existing governance structure and ever-changing compliance environment, the Group is actively preparing to meet the climate-related requirements set by HKEX, mainland China authorities, and the European Union Corporate Sustainability Reporting Directive (“CSRD”). The corporate governance framework has been enhanced to ensure transparency, accountability, and ethical practices. This includes the establishment of a Sustainability Committee, chaired by the Managing Director. The committee guides the Sustainability Working Group (SWG) in developing a comprehensive sustainability roadmap. The purpose of the Sustainability Committee meetings is to review the SWG’s ESG performance and make recommendations when necessary. Since 2024, regular SWG meetings have been led by the EVP, with broader representation from senior management.

In our efforts to combat climate change, we have taken proactive actions. Engaged with the professional third-party consultant, we have initiated a comprehensive climate risk assessment and are currently delving deeper into the financial implications of climate risks. We conducted climate gap analysis and scenario analysis, conducted in collaboration with Premium Sound Solutions (“PSS”). Additionally, the Group has engaged qualified independent consultants to perform an audit, ensuring compliance with internal controls and related procedures.

The Group maintains close monitoring of evolving ESG regulations across mainland China, Hong Kong, and the EU, refining its sustainability targets accordingly and strengthening internal ESG management systems. We are dedicated to increasing positive impacts while mitigating negative ones with a particular focus on addressing climate-related opportunities and risks. In parallel, regular meetings and training sessions have been conducted for the Board, the Sustainability Committee and SWG to disseminate updates and facilitate internal discussions on proposed changes to the updated disclosure framework. This ensures that the Group remains informed and actively participates in the evolving disclosure landscape.

OPERATIONAL EXCELLENCE

Customers Experience

The Group positions technology innovation at its core, continuously increasing R&D investment to advance product development and elevate customer experience. Also, the company has shifted its patent focus from quantity to quality, optimized its portfolio, increased the proportion of invention patents, actively pursued overseas patents, and aligned with technology and market trends, thereby enhancing its patent competitiveness and expanding the Group’s opportunities to develop more sustainable revenue streams.

The Group’s Quality and Operations Committee has optimised our lean operations system and driven the execution of our product lines. The goal has been to deliver high-quality products that meet customer satisfaction, ensuring customer success. We have remained steadfast in our pursuit of continuous improvement, eliminating waste, and gradually approaching the theoretical limits of 0 Parts per Million (“PPM”) and zero inventory.

On 12 June 2025, the Group completed the acquisition of Hebei First Light, further strengthening our Artificial Intelligence (“AI”) and innovation capabilities to deliver an elevated user experience in smart-cockpit acoustics.

Suppliers' Management

The Supply Chain meeting, hosted by the SWG, ensures that our suppliers adhere to our Code of Conduct and CSR Commitment, meeting our standards in labor and human rights, health and safety, chemical management, environmental protection, and anti-corruption. These standards are based on various international principles such as the Electronic Industry Code of Conduct, Ethical Trading Initiative, and the Social Accountability 8000 International Standard. We actively encourage our suppliers to implement similar regulatory and monitoring practices with their own suppliers (our second-tier suppliers) in accordance with our Code.

Furthermore, we strive to move in the direction of using minerals that are 100% conflict free. This commitment aligns with Regulation EU 2017/821, which mandates supply chain due diligence obligations for union importers of tin, tantalum, tungsten, ores, and gold originating from conflict-affected and high-risk areas.

Talent Management

The Group's talent management is multi – faceted. The Talent Management oversees HR – related activities like policy formulation, high – end talent management and cadre evaluation. The AAC People platform enhances HR capabilities in talent – related aspects by consolidating data. Aligned with talent management goals set in 2024, there is an increased focus on talent acquisition and development through programs and training methods. Retention is improved via upgraded incentives and promotion channels. Developing talent with skills is crucial for competitiveness and sustainable career development. Additionally, the group shows dedication to social responsibility by addressing challenges, building community relationships, participating in charitable events and providing opportunities.

Community Care

The Group is committed to addressing societal challenges and establishing positive relationship with the communities where it operates through compassionate and practical initiatives and partnerships with various stakeholders. We continued to engage with the local community in order to positively influence economic and social development and give back to the communities in which we operate by participating in charitable events. Since 2024, we partner with HandsOn Hong Kong for volunteer collaborations and maximizing social impacts.

MANAGEMENT OF ENVIRONMENTAL IMPACTS

In accordance with its Climate Change Policy, the Group has been actively involved in a comprehensive performance analysis related to climate change. This analysis is a fundamental step in the Group's commitment to environmental sustainability. By setting clear targets, the Group has established a framework for its climate-change-related efforts. Moreover, the annual review of strategic roadmaps and energy consumption ensures that the Group stays on track and can adapt its plans as needed.

The Group has three main areas of focus. Firstly, reducing carbon emissions is of utmost importance as it directly contributes to the global fight against climate change. Secondly, conducting a scope 3 analysis allows the Group to have a more holistic understanding of its environmental impact, covering areas such as supply chain emissions. Finally, strengthening community connections is also a priority, as it can lead to collaborative efforts in environmental protection.

The Group has set ambitious but achievable targets in this regard, such as applying its SBTi greenhouse gas emission reduction target by 2028, installing solar panels in 60% of its factories by 2030, reducing Scope 2 greenhouse gas emissions by 10% compared to a 2023 baseline by 2030, and exploring opportunities to align with China's carbon peak by 2030, carbon neutrality by 2060, and the EU's net-zero goal by 2050.

The expansion of solar power capacity across different manufacturing bases is a significant step towards a more sustainable energy future for the Group. Additionally, the purchase of Green Electricity Certificates in China and EU further demonstrates the Group's commitment to renewable energy sources.

Sustainability

The Group has made remarkable progress in several aspects, including water-recycling, energy-saving measures, and waste management. In terms of climate resilience, initiatives such as energy-efficiency retrofitting of buildings have been implemented. Collectively, these efforts contribute to the Group's overall environmental management and its capacity to adapt to the challenges posed by climate change. To support its commitment to sustainable energy sources, the Group has also been purchasing Green Electricity Certificates in China. Ongoing monitoring of sustainability performance and a proactive approach to identify climate-related risks guide the Group's actions, ensuring potential business and financial impacts are considered.

ESG RATINGS

The Group continuously invests in improving its performance in the area of sustainability as demonstrated by recognitions it has received from numerous international institutions. The Group was designated as a member of the FTSE4Good Index since 2020 and given an "BBB" MSCI ESG rating in 2024, "AA" of HKQAA Sustainability rating since 2015, as well as a "Low ESG Risk" by Sustainalytics since 2020.

Stable Rating

17.7 Low risk Sustainalytics ('low ESG risk' since 2020)	47 DJSI Index – CSA	Climate Change C Water Security B- CDP (AAC)
AA HKQAA Sustainability Rating (AA since 2015)	3.1 FTSE4Good (a designated member since 2020)	

Unfavorable Trending

MSCI ESG Ratings BBB[1] (A in 2023)	Climate Change D[2] (B- in 2024) Water Security C CDP (PSS)

1 The MSCI rating was downgraded due to changes in MSCI's methodology and relatively lower ESG performance. The Group has already approved the Group's targets and is committed to bridging the gaps with peers.

2 The CDP Climate Score decreased to D primarily due to the verification of GHG emissions, as the company received limited assurance of its GHG calculations by the end of 2024.

Report on Review of Condensed Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF AAC TECHNOLOGIES HOLDINGS INC.
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of AAC Technologies Holdings Inc. (the "Company") and its subsidiaries set out on pages 42 to 78, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, 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 these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 August 2025

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	NOTES	**1.1.2025 to 30.6.2025 RMB'000 (Unaudited)**	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Revenue	3	**13,318,486**	11,246,971
Cost of goods sold		**(10,564,816)**	(8,829,220)
Gross profit		**2,753,670**	2,417,751
Other income		**227,199**	251,841
Other expenses		**(5,921)**	(13,098)
Other gains and losses		**256,685**	(32,981)
Share of result of an associate		**294**	236
Distribution and selling expenses		**(342,628)**	(297,022)
Administrative expenses		**(637,186)**	(565,952)
Research and development costs		**(997,966)**	(949,398)
Exchange (loss) gain		**(32,901)**	23,170
Finance costs		**(186,407)**	(206,621)
Profit before taxation	4	**1,034,839**	627,926
Taxation	5	**(161,623)**	(111,826)
Profit for the period		**873,216**	516,100
Loss for the period attributed to non-controlling interests		**(2,456)**	(20,928)
Profit for the period attributed to owners of the Company		**875,672**	537,028
Earnings per share			
– Basic	7	**RMB0.76**	RMB0.46
– Diluted	7	**RMB0.76**	RMB0.46

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Profit for the period	**873,216**	516,100
Other comprehensive (expense) income:		
Item that will not be subsequently reclassified to profit or loss:		
Fair value changes on equity instruments at fair value through other comprehensive income ("FVTOCI")	**(26,835)**	(22,179)
Remeasurement to defined benefit obligations	**(108)**	(2,110)
Items that may be subsequently reclassified to profit or loss:		
Exchange differences arising from translation of foreign operations	**67,443**	(17,637)
Fair value changes on derivative financial instruments	**430**	18,897
Loss (gain) reclassified to profit or loss on hedged items	**71,379**	(2,211)
Total comprehensive income for the period	**985,525**	490,860
Total comprehensive income (expense) for the period attributable to:		
Owners of the Company	**982,280**	513,552
Non-controlling interests	**3,245**	(22,692)
	985,525	490,860

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	NOTES	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	8	**17,998,257**	17,884,356
Right-of-use assets	8	**2,079,974**	2,044,533
Goodwill		**2,244,428**	2,093,389
Intangible assets		**1,856,499**	1,705,925
Deposits made for acquisition of property, plant and equipment		**390,024**	267,592
Investment properties	8	**267,118**	267,474
Interest in an associate		**3,266**	2,973
Equity instruments at FVTOCI	9	**584,707**	598,414
Financial assets at fair value through profit or loss ("FVTPL")	10	**620,502**	449,662
Derivative financial instruments		**1,630**	1,494
Contract costs		**72,767**	68,343
Deferred tax assets		**405,054**	414,107
		26,524,226	25,798,262
Current assets			
Inventories		**4,593,560**	3,937,805
Trade and other receivables	11	**8,097,691**	9,370,703
Amounts due from related companies		**2,763**	2,725
Taxation recoverable		**54,693**	44,046
Derivative financial instruments		**10,537**	2,661
Pledged bank deposits		**200**	524
Restricted bank deposits		**–**	5,000
Short term fixed deposits		**71,586**	–
Cash and cash equivalents		**7,679,620**	7,538,204
		20,510,650	20,901,668
Current liabilities			
Trade and other payables	12	**9,741,534**	9,557,816
Contract liabilities		**81,375**	62,674
Amounts due to related companies		**51,153**	52,746
Taxation payable		**130,832**	251,640
Bank loans	13	**774,144**	1,727,966
Unsecured notes	14	**1,646,193**	–
Government grants		**66,353**	71,527
Lease liabilities		**494,905**	488,572
Derivative financial instruments		**6,704**	95,015
Gross obligation liabilities	16	**–**	574,920
Contingent consideration payables		**941,320**	1,260,837
Contingent settlement provision	15	**263,810**	259,370
		14,198,323	14,403,083
Net current assets		**6,312,327**	6,498,585
Total assets less current liabilities		**32,836,553**	32,296,847

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	NOTES	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Non-current liabilities			
Bank loans	13	5,480,569	3,883,107
Unsecured notes	14	2,060,848	3,720,540
Government grants		457,601	480,590
Lease liabilities		664,803	634,446
Deferred tax liabilities		366,426	370,383
Defined benefit obligations		11,431	10,183
Derivative financial instruments		7,818	28,070
Other payables	12	26,142	52,649
		9,075,638	9,179,968
Net assets		23,760,915	23,116,879
Capital and reserves			
Share capital	16	97,321	97,321
Reserves		23,195,714	22,657,151
Equity attributable to owners of the Company		23,293,035	22,754,472
Non-controlling interests		467,880	362,407
Total equity		23,760,915	23,116,879

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company														
	Share capital RMB'000	Treasury reserve RMB'000	Special reserve RMB'000	Capital reserve RMB'000	Translation reserve RMB'000	Investments revaluation reserve RMB'000	Non-distributable reserve RMB'000	Share-based payments reserve RMB'000	PRC statutory reserve RMB'000	Hedging reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interest RMB'000	Total RMB'000
At 1 January 2024 (audited)	97,321	(481,419)	1,135	23,391	(467,731)	(482,686)	87,245	60,716	2,018,984	8,129	–	21,016,367	21,881,452	489,817	22,371,269
Exchange differences arising on translation of foreign operations	–	–	–	–	(15,873)	–	–	–	–	–	–	–	(15,873)	(1,764)	(17,637)
Fair value changes on equity instruments at FVTOCI	–	–	–	–	–	(22,179)	–	–	–	–	–	–	(22,179)	–	(22,179)
Fair value changes on derivative financial instruments	–	–	–	–	–	–	–	–	–	18,897	–	–	18,897	–	18,897
Gain reclassified to profit or loss on hedged items	–	–	–	–	–	–	–	–	–	(2,211)	–	–	(2,211)	–	(2,211)
Remeasurement to defined benefit obligations	–	–	–	–	–	–	–	–	–	–	–	(2,110)	(2,110)	–	(2,110)
Profit (loss) for the period	–	–	–	–	–	–	–	–	–	–	–	537,028	537,028	(20,928)	516,100
Total comprehensive (expense) income for the period	–	–	–	–	(15,873)	(22,179)	–	–	–	16,686	–	534,918	513,552	(22,692)	490,860
Recognition of equity-settled share based payments	–	–	–	–	–	–	–	12,650	–	–	–	–	12,650	–	12,650
Shares vested under share award scheme	–	70,794	–	–	–	–	–	(38,558)	–	–	–	(32,236)	–	–	–
Share-based payment reserves under the subsidiary share incentive scheme	–	–	–	–	–	–	–	–	–	–	–	–	–	(29,082)	(29,082)
Purchase of shares under share award scheme	–	(59,666)	–	–	–	–	–	–	–	–	–	–	(59,666)	–	(59,666)
Dividends declared	–	–	–	–	–	–	–	–	–	–	–	(108,932)	(108,932)	–	(108,932)
At 30 June 2024 (unaudited)	97,321	(470,291)	1,135	23,391	(483,604)	(504,865)	87,245	34,808	2,018,984	24,815	–	21,410,117	22,239,056	438,043	22,677,099
At 1 January 2025 (audited)	97,321	(543,784)	1,135	23,391	(424,873)	165,738	87,245	39,549	2,150,607	(72,868)	(644,912)	21,875,923	22,754,472	362,407	23,116,879
Exchange differences arising on translation of foreign operations	–	–	–	–	62,288	–	–	–	–	–	–	–	62,288	5,155	67,443
Fair value changes on equity instruments at FVTOCI	–	–	–	–	–	(27,381)	–	–	–	–	–	–	(27,381)	546	(26,835)
Fair value changes on derivative financial instruments	–	–	–	–	–	–	–	–	–	430	–	–	430	–	430
Loss reclassified to profit or loss on hedged items	–	–	–	–	–	–	–	–	–	71,379	–	–	71,379	–	71,379
Remeasurement to defined benefit obligations	–	–	–	–	–	–	–	–	–	–	–	(108)	(108)	–	(108)
Profit (loss) for the period	–	–	–	–	–	–	–	–	–	–	–	875,672	875,672	(2,456)	873,216
Total comprehensive income (expense) for the period	–	–	–	–	62,288	(27,381)	–	–	–	71,809	–	875,564	982,280	3,245	985,525
Recognition of equity-settled share based payments (note 17)	–	–	–	–	–	–	–	14,759	–	–	–	–	14,759	–	14,759
Shares vested under share award scheme	–	68,705	–	–	–	–	–	(37,420)	–	–	–	(31,285)	–	–	–
Share-based payment reserves under the subsidiary share incentive scheme	–	–	–	–	–	–	–	–	–	–	–	–	–	1,386	1,386
Repurchase of shares (note 16)	–	(792,641)	–	–	–	–	–	–	–	–	644,912	–	(147,729)	–	(147,729)
Return capital to non-controlling interests of a subsidiary (note 15)	–	–	–	–	–	–	–	–	–	–	–	(52,337)	(52,337)	(17,378)	(69,715)
Acquisition of a subsidiary (note 19)	–	–	–	–	–	–	–	–	–	–	–	–	–	118,220	118,220
Dividends declared (note 6)	–	–	–	–	–	–	–	–	–	–	–	(258,410)	(258,410)	–	(258,410)
At 30 June 2025 (unaudited)	97,321	(1,267,720)	1,135	23,391	(362,585)	138,357	87,245	16,888	2,150,607	(1,059)	–	22,409,455	23,293,035	467,880	23,760,915

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	NOTES	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Net cash from operating activities		**2,892,532**	2,651,349
Net cash used in investing activities			
Net cash outflow on acquisition of subsidiaries	19	**(240,943)**	(1,472,801)
Purchase of property, plant and equipment		**(1,234,230)**	(758,693)
Deposits paid for acquisition of property, plant and equipment		**(222,571)**	(178,203)
Additions to intangible assets		**(194,389)**	(119,395)
Placement of short-term fixed deposits		**(71,586)**	(21,379)
Placement of pledged bank deposits		**–**	(9,025)
Acquisition of financial assets at FVTPL		**(169,316)**	(8,168)
Acquisition of equity instruments at FVTOCI		**(11,726)**	–
Payments for rental deposits		**(583)**	(33)
Interest received		**80,847**	93,996
Withdrawal of pledged bank deposits		**4,324**	13,690
Capital return of equity instruments at FVTOCI		**4,302**	5,246
Government grants received relating to acquisitions of non-current assets		**37,500**	4,995
Proceeds from disposal of property, plant and equipment		**29,652**	4,566
Proceeds from disposal of right-of-use assets		**247**	–
Withdrawal of restricted bank deposits		**5,000**	1,207
		(1,983,472)	(2,443,997)
Net cash (used in) from financing activities			
Bank loans raised		**1,760,000**	2,260,142
Repayment of bank loans		**(1,205,713)**	(1,126,738)
Interest paid		**(180,298)**	(179,762)
Return of capital contributions from non-controlling interests of a subsidiary	15	**(69,715)**	–
Dividends paid	6	**(250,966)**	(103,584)
Shares repurchased		**(723,259)**	(59,666)
Repayments of lease liabilities		**(104,749)**	(56,767)
Payment to derivative financial instruments		**(54,704)**	(9,170)
Receipt from derivative financial instruments		**–**	5,330
Net payments for the subsidiary share incentive scheme	17	**(729)**	–
		(830,133)	729,785
Net increase in cash and cash equivalents		**78,927**	937,137
Cash and cash equivalents at 1 January		**7,538,204**	6,824,525
Effect of foreign exchange rate changes		**62,489**	23,310
Cash and cash equivalents at 30 June		**7,679,620**	7,784,972

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim financial reporting" as issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the annual consolidated financial statements of the Company and its subsidiaries (collectively referred as the "Group") for the year ended 31 December 2024.

Certain amounts of prior period are re-presented to align with the current period presentation.

Application of amendments to IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standard issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

The Directors of the Company consider that the application of the amendments to IFRS Accounting Standard in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Operating and reportable segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's key operating decision makers in order to allocate resources to the segments and assess their performance.

Information reported to the key operating decision makers for the purposes of resource allocation and assessment of performance focuses specifically on the type of products sold. This is also the basis upon which the Group is organised and managed.

The Group's operating and reportable segments under IFRS 8 "Operating Segment" are acoustics products, electromagnetic drives and precision mechanics, optics products, PSS – automotive & consumer acoustics products, sensor and semiconductor products and other products, which represent the major types of products manufactured and sold by the Group. Revenue from these products is recognised at the point in time when controls of the products has been transferred.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

All sales contracts terms and the performance obligations of goods and services provided by the Group are for periods of one year or less. As permitted under IFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

Information regarding these segments is presented below.

An analysis of the Group's revenue and results by operating and reportable segments is as follows:

	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Operating and reportable segments		
Segment revenue – recognised at a point in time		
Acoustics products	**3,523,443**	3,460,259
Electromagnetic drives and precision mechanics*	**4,633,691**	3,636,318
Optics products	**2,647,507**	2,212,523
PSS – automotive & consumer acoustics products	**1,738,261**	1,522,050
Sensor and semiconductor products	**608,229**	389,284
Other products*	**167,355**	26,537
Total revenue	**13,318,486**	11,246,971

3. SEGMENT INFORMATION (continued)

	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Segment results		
Acoustics products	**959,298**	1,034,328
Electromagnetic drives and precision mechanics*	**1,059,419**	835,749
Optics products	**270,218**	103,029
PSS – automotive & consumer acoustics products	**415,423**	381,153
Sensor and semiconductor products	**73,527**	63,986
Other products*	**(24,215)**	(494)
Segment profit	**2,753,670**	2,417,751
Unallocated amounts:		
Other income	**227,199**	251,841
Other expenses	**(5,921)**	(13,098)
Other gains and losses	**256,685**	(32,981)
Share of results of an associate	**294**	236
Distribution and selling expenses	**(342,628)**	(297,022)
Administrative expenses	**(637,186)**	(565,952)
Research and development costs	**(997,966)**	(949,398)
Exchange (loss) gain	**(32,901)**	23,170
Finance costs	**(186,407)**	(206,621)
Profit before taxation	**1,034,839**	627,926

* The amounts included revenue and result of the Group's electromagnetic drives and precision mechanic products business commenced in prior periods and the amounts in the prior period included in the other products are represented to align with the current period presentation.

Segment results represent the profit earned by each segment without allocation of other income, other expenses, other gains and losses, share of results of an associate, distribution and selling expenses, administrative expenses, research and development costs, exchange (loss) gain and finance costs. This is the measure reported to the key operating decision makers for the purpose of resource allocation and performance assessment.

The key operating decision makers make decisions according to operating results of each segments. The Group analysed its assets and liabilities and other financial information at group level. Therefore, only segment revenue and segments results are presented.

3. SEGMENT INFORMATION (continued)

The Group's revenue from external customers analysed by location of end customers is detailed below:

	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Greater China* (country of domicile)	7,362,962	6,133,618
Other foreign countries:		
America**	4,505,823	3,786,478
Other Asian countries	852,072	729,847
Europe	589,837	572,152
Others	7,792	24,876
	13,318,486	11,246,971

* Greater China comprises the Mainland China, Hong Kong Special Administrative Region and Taiwan. Majority of the revenue from Greater China were derived from the Mainland China.

** America sales mainly include the sales to end customers based in United States. Sales related to the United States customers are primarily shipped directly to the designated delivery place of the relevant customers or their outsourcing factories located in China, Vietnam, Thailand and India, without direct export to the United States.

The geographical information of the Group's revenue from external end customer is disclosed at the continents level (e.g., America, Europe, other Asian, etc.) rather than by individual countries. Management considers the disclosure of revenue by individual countries to be commercially sensitive.

During the period, the aggregate amount of revenue derived from the Group's top customers which individually has contributed to over 10% of the Group's revenue and included in all of the Group's segments, 3 customers contributed revenue amounted to RMB7,299,325,000 (six months ended 30 June 2024: 2 customers contributed revenue amounted to RMB4,677,007,000).

4. PROFIT BEFORE TAXATION

	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**1,233,295**	1,308,047
Depreciation of investment properties	**9,839**	3,466
Depreciation of right-of-use assets	**97,735**	123,798
Total depreciation (note a)	**1,340,869**	1,435,311
Less: Depreciation of right-of-use assets capitalised in qualifying assets	**(12,564)**	(12,564)
	1,328,305	1,422,747
Amortisation of intangible assets	**179,983**	115,098
Allowance for inventories, net, included in cost of goods sold	**1,286**	–
Cost of raw materials included in research and development costs	**94,322**	67,280
Government grants included in "other income" (note b)	**116,787**	123,853
Interest income included in "other income"	**90,082**	104,623
Other gains and losses (note c)	**256,685**	(32,981)

Notes:

a. Depreciation of RMB153,226,000 (six months ended 30 June 2024: RMB168,233,000) had been included in research and development costs.

b. Included in the amount is RMB65,952,000 (six months ended 30 June 2024: RMB83,825,000) representing amortisation of government grants. The remaining amount mainly represents the incentives granted by the People's Republic of China (the "PRC") local authorities to the Group for engaging in High Technology business, employment of expatriates and technologically advanced staff. All the grants were approved during the period of recognition with no unfulfilled conditions/contingencies.

c. Other gains and losses mainly represent gain on fair value change of contingent consideration payables (refer to notes 19 and 21), offset by loss on disposal/write-off of property, plant and equipment of RMB42,196,000 (six months ended 30 June 2024: RMB11,380,000), loss on fair value changes of derivative financial instruments of RMB9,640,000 (six months ended 30 June 2024: RMB25,676,000).

5. TAXATION

	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
The tax charge comprises:		
PRC Enterprise Income Tax	103,221	73,944
Singapore	40,788	35,635
Europe	10,104	22,883
Vietnam	7,064	19,607
Other jurisdictions	7,498	7,643
PRC and overseas withholding tax	2,310	41
Under provision of taxation in prior years	7,483	1,166
	178,468	160,919
Deferred tax credit	(16,845)	(49,093)
	161,623	111,826

Under the law of PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%, for both periods, unless the group entities entitle to other preferential tax treatment granted by the relevant PRC tax authority.

The PRC dividend withholding tax is calculated at the applicable rate in accordance with the relevant laws and regulations in the PRC.

Pursuant to Articles 3 and 27 of the EIT Law and Article 91 of its Implementation Regulation, dividend distributed out of the profits generated by foreign invested enterprise to foreign investor shall be subject to EIT at 10% and withheld by the PRC subsidiary. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to the Taxes on Income, the withholding tax rate on dividend paid by a PRC resident enterprise to a Hong Kong resident enterprise is further reduced to 5% if the Hong Kong resident enterprise holds at least 25% equity interests in the PRC resident enterprise and it is considered as the beneficial owner of the dividend, and remains at 10% otherwise.

In addition, certain PRC subsidiaries were officially endorsed as High-New Technology Enterprises ("HNTE") till the dates ranging from 2025 to 2026 (six months ended 30 June 2024: 2024 to 2025). Pursuant to the EIT Law, those PRC subsidiaries entitled as HNTE shall be entitled to a preferential tax rate of 15% till the expiry of the HNTE status for the respective PRC subsidiaries.

Pursuant to relevant laws and regulations in Singapore, one of the Group's subsidiaries is entitled to a concessionary tax rate under Development and Expansion Incentive which is granted based on the fulfilment of carrying out qualifying business activities. This incentive program is effective from 1 January 2019 for 10-year period.

Taxation in Europe mainly represents the corporate income tax calculated at the rate of 25% on the estimated assessable profits of the subsidiaries of the Company which were incorporated in Belgium.

5. TAXATION (continued)

Pursuant to the relevant laws and regulations in Vietnam, one of the Group's subsidiaries is entitled to concessionary tax rate which is granted based on the fulfilment of carrying qualifying business activities. This tax holiday for the subsidiary will expire in 2027.

Taxation in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions.

OECD pillar two model rules

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group's estimated effective tax rates of most of the jurisdictions in which the Group operates are higher than 15 per cent, after taking into account the adjustments under The Global Anti-Base Erosion Rules ("GloBE Rules"), the management of the Group has not made relevant disclosures of qualitative and quantitative information about the potential tax impact of Pillar Two implementation rules; while for the Group's estimated effective tax rate of a jurisdiction in which the Group operates is lower than 15 per cent, after taking into account the adjustments under GloBE Rules, the management considers the exposure to the top-up tax is insignificant to the Group.

6. DIVIDENDS

During the six months ended 30 June 2025, a final dividend of HK$0.24 per share in respect of the year ended 31 December 2024 (six months ended 30 June 2024: HK$0.10 per share in respect of the year ended 31 December 2023) was paid to shareholders of the Company. The aggregate amount of the final dividend was recognised as distribution during the six months ended 30 June 2025 amounted to HK$282,045,000 (equivalent to RMB258,410,000) (six months ended 30 June 2024: HK$119,850,000 (equivalent to RMB108,932,000)).

Subsequent to the six months ended 30 June 2025, the Directors of the Company have resolved not to declare an interim dividend.

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	1.1.2025 to 30.6.2025 RMB'000	1.1.2024 to 30.6.2024 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (note)	**875,672**	537,028

7. EARNINGS PER SHARE (continued)

	1.1.2025 to 30.6.2025 '000	1.1.2024 to 30.6.2024 '000
Number of shares		
Weighted average number of ordinary shares in issue during the period for the purpose of calculating basic earnings per share (note)	**1,158,809**	1,173,213
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share awards granted by the Company	**1,004**	3,411
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**1,159,813**	1,176,624

Note: The weighted average number of shares has been calculated taking into account the shares repurchased by the Group or held by the 2016 Trustee and 2023 Trustee (both as defined in note 17) under share award scheme of the Company.

The computation of diluted earnings per share for the six months ended 30 June 2025 and 2024 did not consider the effect arising from the contingent settlement provision as set out in note 15 and unvested restricted shares granted by a subsidiary as set out in note 17 as the exercise would result in an increase in earnings per share.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

(i) Property, plant and equipment

During the six months ended 30 June 2025, apart from the acquisition of 河北初光汽車部件有限公司 (Hebei First Light Auto Parts Co., Ltd.) ("Hebei First Light") (six months ended 30 June 2024: acquisition of Acoustics Solutions International B.V. and its subsidiaries (collectively referred to as the "PSS Group")) as detailed in note 19, the Group acquired property, plant and equipment of RMB1,334,411,000 (six months ended 30 June 2024: RMB825,558,000). Part of the consideration of RMB100,139,000 (six months ended 30 June 2024: RMB162,589,000) was paid up in advance in prior year.

Also, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB71,848,000 (six months ended 30 June 2024: RMB15,946,000) for proceeds of RMB29,652,000 (six months ended 30 June 2024: RMB4,566,000) and resulting in a loss on disposal of RMB42,196,000 (six months ended 30 June 2024: loss on disposal of RMB11,380,000).

(ii) Right-of-use assets

During the six months ended 30 June 2025, apart from the acquisition of Hebei First Light (six months ended 30 June 2024: acquisition PSS Group) as detailed in note 19, the addition to the right-of-use assets represents the renewal of several lease agreements and new lease agreements for buildings and cars and machineries ranging from 1 to 5 years (six months ended 30 June 2024: 2 to 9 years). The Group is required to make fixed future payment and, in certain cases, is required to make prepayments. On lease commencement, the Group recognised RMB133,654,000 (six months ended 30 June 2024: RMB40,223,000) of right-of-use assets, and RMB133,071,000 (six months ended 30 June 2024: RMB40,190,000) of lease liabilities. The recognition of newly added right-of-use assets constitutes non-cash transactions.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES (continued)

(ii) Right-of-use assets (continued)

During the six months ended 30 June 2025, the Group disposed of certain leasehold land at its carrying amount of RMB247,000, and no gain or loss on the derecognition is recognised in profit or loss. In addition, the Group has derecognised right-of-use assets and lease liabilities of RMB42,269,000 due to lease modification.

During the six months ended 30 June 2024, the Group early terminated certain leases which constitutes lease modification. As a result, the Group has derecognised right-of-use assets of RMB4,896,000 and lease liabilities of RMB5,169,000, and a gain on lease termination of RMB273,000 is recognised in profit or loss.

(iii) Investment properties

During the six months ended 30 June 2025, property, plant and equipment of RMB9,483,000 (six months ended 30 June 2024: nil) were transferred to investment properties upon leasing to an independent third party for rental income.

Impairment assessment

During the six months ended 30 June 2025 and 2024, there is no impairment indicator for property, plant and equipment, right-of-use-assets, investment properties and intangible assets with finite useful lives.

9. EQUITY INSTRUMENTS AT FVTOCI

	30.6.2025 **RMB'000** **(Unaudited)**	31.12.2024 RMB'000 (Audited)
Unlisted shares	**555,552**	566,990
Listed shares	**29,155**	31,424
	584,707	598,414

These investments are not held for trading, instead, they are held for long-term strategic purposes. The Directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Unlisted shares

The unlisted equity investments represent the Group's equity interest in private entities. The equity instruments comprise of equity interests in companies which engaged in:

(i) producing semiconductor components in integrated circuits and development of intellectual properties;
(ii) research, development and manufacturing of sensor and semiconductor business;
(iii) solid state Light Detection And Ranging ("LiDAR") sensor for automotive series use; and
(iv) research, development, manufacturing and marketing of electronic equipment in the field of high-end audio.

9. EQUITY INSTRUMENTS AT FVTOCI (continued)

Unlisted shares (continued)

During the six months ended 30 June 2025, the Group made addition contribution for certain equity interests in a private entity engaged in research, development, manufacturing and marketing of electronic equipment in the field of high-end audio at a consideration of Euro1,500,000 (equivalent to approximately RMB11,726,000).

During the six months ended 30 June 2024, the Group received return on capital from a private entity engaged in research, development and manufacturing of sensor and semiconductor business at a compensation of US$739,000 (equivalent to approximately RMB5,246,000).

Listed shares

The amount represents the Group's investment in a company listed in Japan. As at 30 June 2025, the fair value of the investment determined by reference to the quoted market bid prices available was RMB29,155,000 (31 December 2024: RMB31,424,000).

10. FINANCIAL ASSETS AT FVTPL

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Convertible loans	**92,733**	51,264
Unlisted shares	**527,769**	398,398
	620,502	449,662

The financial assets at FVTPL represent the Group's investment in:

(i) a private equity fund primarily investing in industry-leading technology companies, mainly in Germany, German speaking countries and regions, the Nordic countries and the Greater China, as well as other technologically-advanced regions with strong growth potential;
(ii) a private equity fund primarily investing in private entities in sensor and semiconductor business;
(iii) preferred shares investment in two private entities in sensor and semiconductor business;
(iv) a preferred shares investment in a private entity in automotive business;
(v) a private entity in augmented reality displays manufacturing business; and
(vi) a private entity in research and development, design, and sales of chips.

During the six months ended 30 June 2025, the Group acquired certain equity interests in a private entity engaged in research and development, design, and sales of chips at a consideration of RMB20,000,000. In addition, the Group (i) made addition contribution of US$15,931,000 (equivalent to approximately RMB114,370,000) and GBP380,000 (equivalent to approximately RMB3,678,000) to the private equity funds mentioned above and (ii) further subscribed the convertible loan amounted to Euro4,000,000 (equivalent to approximately RMB31,268,000) issued by a private entity.

During the six months ended 30 June 2024, the Group (i) made addition contribution of US$694,000 (equivalent to approximately RMB4,934,000) and GBP355,000 (equivalent to approximately RMB3,234,000) to the private equity funds mentioned above.

The above investments are classified as financial assets at FVTPL and presented under non-current assets as they are not held for trading, instead, they are held for long-term strategic purpose.

11. TRADE AND OTHER RECEIVABLES

	30.6.2025 **RMB'000** **(Unaudited)**	31.12.2024 RMB'000 (Audited)
Trade receivables	**6,037,212**	7,656,089
Bank acceptance and commercial bills	**266,834**	82,776
	6,304,046	7,738,865
Prepayments	**434,316**	333,575
Value-added tax recoverable	**782,455**	780,607
Other receivables	**576,874**	517,656
	8,097,691	9,370,703

The following is an aged analysis of trade receivables and bank acceptance and commercial bills, net of allowance for credit losses, presented based on the invoice date or notes issued dates at the end of the reporting period, which approximates the respective revenue recognition dates.

	30.6.2025 **RMB'000** **(Unaudited)**	31.12.2024 RMB'000 (Audited)
Age		
0 – 90 days	**6,210,747**	7,571,489
91 – 180 days	**83,636**	152,849
Over 180 days	**9,663**	14,527
	6,304,046	7,738,865

Payment terms with customers are mainly on credit. Invoices are normally payable within 30 days to 120 days of issuance. The Group accepts bank acceptance and commercial bills with maturities ranging from 30 to 180 days at the end of the credit terms in lieu of immediate cash payment.

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB120,007,000 (31 December 2024: RMB138,132,000) which are past due as at the reporting date. Included in the past due balances, RMB13,310,000 has been past due 90 days or more (31 December 2024: RMB4,152,000).

In addition, the management of the Group is of the opinion that those trade receivables aged over 180 days are still fully recoverable due to long-term/on-going relationship and good repayment record from these customers.

12. TRADE AND OTHER PAYABLES

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Trade payables	5,101,469	5,089,711
Notes payables – guaranteed (Note)	1,997,600	1,873,930
	7,099,069	6,963,641
Payroll and welfare payables	639,996	682,839
Payables for acquisition of property, plant and equipment and intangible assets	948,208	968,765
Dividend payables	12,827	5,426
Other payables and accruals	1,009,901	931,426
Payables related to restricted shares granted to employee (Note 17)	57,675	58,368
	9,767,676	9,610,465
Less: Other payables for settlement after 12 months shown under non-current liabilities	(26,142)	(52,649)
Amounts shown under current liabilities	9,741,534	9,557,816

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

Other payables are unsecured, interest-free and have no fixed repayment terms.

An aged analysis of trade and notes payables, presented based on the invoice date or the note issued date, is as follows:

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Age		
0 – 90 days	5,833,123	5,831,250
91 – 180 days	1,227,925	1,055,865
Over 180 days	38,021	76,526
	7,099,069	6,963,641

13. BANK LOANS

The variable rate bank loans carry interest ranging from 2.34% to 4.12% (31 December 2024: 2.50% to 5.05%) per annum. The fixed rate bank loans carry interest ranging from 2.11% to 4.23% (31 December 2024: 2.40% to 4.23%) per annum. The Group and/or its subsidiaries has issued guarantees to respective banks to secure the borrowings.

14. UNSECURED NOTES

Unsecured notes issued in 2021

In 2021, the Group issued unsecured notes of US$300,000,000 due on 2 June 2026 at a fixed coupon rate of 2.625% per annum ("2026 Notes") and US$350,000,000 due on 2 June 2031 at fixed coupon rate of 3.750% per annum ("2031 Notes"). The unsecured notes are listed on the Hong Kong Stock Exchange. The effective interest rates of the 2026 Notes and 2031 Notes are 2.7023% and 3.8656% respectively.

As at 30 June 2025, the principal amounts of the outstanding unsecured notes include 2026 Notes of US$230,154,000 (31 December 2024: US$230,154,000) with the carrying amount of RMB1,646,193,000 under current liabilities (31 December 2024: RMB1,652,309,000 under non-current liabilities) and 2031 Notes of US$290,123,000 (31 December 2024: US$290,123,000) with the carrying amount of RMB2,060,848,000 under non-current liabilities (31 December 2024: RMB2,068,231,000 under non-current liabilities).

15. CAPITAL CONTRIBUTION FROM NON-CONTROLLING INTERESTS OF A SUBSIDIARY AND CONTINGENT SETTLEMENT PROVISION

In accordance with the shareholders agreements entered into between the Group and certain non-controlling interests of AAC Optics (Changzhou) Co., Ltd. ("AAC Optics"), subject to occurrence or non-occurrence of future events including the separate listing condition, those non-controlling interests were granted the rights to require the Group for capital repayment plus a premium. A contingent settlement provision has been recognised against equity as the Group has a contractual obligation to deliver cash.

According to the Company's announcement dated 26 July 2024, AAC (China) Investment Group Co., Ltd. ("AAC Investment"), an indirectly wholly owned subsidiary of the Company and AAC Optics entered into separate share transfer agreements with certain non-controlling interests ("2024 Selling Investors"), in which the 2024 Selling Investors agreed to sell a portion of their equity interest in AAC Optics to AAC Investment. The 2024 Selling Investors in aggregate sell approximately 1.408% of the equity interest in AAC Optics at the aggregate consideration of RMB235,700,000. The difference between the amounts of the non-controlling interests adjusted and the consideration paid amounting to RMB165,890,000 is credited directly in equity and attributed to owners of the Company.

On 26 June 2025, AAC Investment and AAC Optics entered into separate share transfer agreements with certain non-controlling interests, in which the non-controlling shareholder agreed to sell a portion of its equity interest in AAC Optics to AAC Investment. The non-controlling shareholder in aggregate sell approximately 0.3704% of the equity interest in AAC Optics at the aggregate consideration of RMB69,715,000. The difference between the amounts of the non-controlling interests adjusted and the consideration paid amounting to RMB52,337,000 is credited directly in equity and attributed to owners of the Company.

After the completion of the share transfer agreements in 2025 and as at 30 June 2025, AAC Optics is held (i) as to approximately 90.0400% (31 December 2024: 89.6696%) indirectly by the Company; (ii) 2% by the share incentive platforms of AAC Optics, of which 0.1374% (31 December 2024: 0.1374%) of the shares are vested but still held under the platforms; and (iii) approximately 7.9600% (31 December 2024: 8.3304%) by the 3 remaining strategic investors in aggregate.

16. SHARE CAPITAL

	Number of shares	Amount US$'000
Shares of US$0.01 each		
Authorised:		
Ordinary shares at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	5,000,000,000	50,000
Issued and fully paid:		
Ordinary shares at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	1,198,500,000	11,985

	RMB'000
Presented in the condensed consolidated statement of financial position	
At 1 January 2024 and 30 June 2024, 1 January 2025 and 30 June 2025	97,321

During the period ended 30 June 2025, the Company repurchased its own ordinary shares through an independent broker (the "Broker") and the Hong Kong Stock Exchange as follows:

Month of repurchase	**No. of ordinary shares of US$0.01 each**	**Price per share Highest HK$**	**Price per share Lowest HK$**	**Aggregate consideration HK$'000 (note)**
January	**4,033,500**	**40.05**	**34.55**	**148,066**
February	**2,776,000**	**50.05**	**39.65**	**128,612**
March	**3,862,000**	**54.35**	**43.65**	**186,437**
April	**10,024,000**	**48.00**	**28.50**	**365,506**
May	**786,500**	**39.90**	**35.80**	**29,706**
Total	**21,482,000**			**858,327**

Note: On 16 December 2024, the Company entered into an agreement with the Broker under which the Broker is appointed to operate the automatic share buy-back program, in which the Company has agreed parameters for the Broker to buy back up to HK$778,000,000 of the Company's shares on the Hong Kong Stock Exchange from the commencement date of the share buy-back program up to 16 May 2025. Since the Broker is considered as the principal of the share buy-back program and the Company has the obligation to pay the Broker for the share buy-back with a maximum amount up to HK$778,000,000 (equivalent to approximately RMB718,405,000), the amount is initially recognised as gross obligation liabilities and the corresponding debit to other reserve. During the period ended 30 June 2025, the Company has paid HK$623,954,000 (equivalent to approximately RMB575,530,000) to the Broker as the remaining payment to execute the share buy-back program, and 17,545,500 issued ordinary shares of the Company were repurchased under the program. The automatic share buy-back program was completed during the period ended 30 June 2025, further details of the completion of the share buy-back program were set out in the Company's announcement dated 9 April 2025. During the period ended 30 June 2025, the aggregate consideration of repurchase 21,482,000 shares amounted to HK$858,327,000 (equivalent to RMB792,641,000), out of which HK$75,799,000 (equivalent to RMB69,992,000) was prepaid in prior year to the Broker under the automatic share buy-back program.

16. SHARE CAPITAL (continued)

As at 30 June 2025, the Company had treasury shares of 23,612,500 shares (31 December 2024: 2,130,500 shares), other than those held by the trustees for the share award schemes of the Company as disclosed in Note 17.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2024 and 2025.

17. SHARE AWARD SCHEME

Share award scheme of the Company

2016 share award scheme of the Company

The Company on 23 March 2016 had adopted the AAC Share Award Scheme (the "2016 Scheme") constituted by a 2016 trust deed between the Company and Bank of Communications Trustee Limited (the "2016 Trustee"), in which employees may be selected by the Board of Directors to participate. Pursuant to the 2016 Scheme, shares of the Company will be purchased on the Hong Kong Stock Exchange, by the 2016 Trustee of the trusts declared in the Trust Deed.

On the grant of the share awards, the relevant number of shares may be legally transferred to the 2016 Trustee who holds the shares for the benefit of the selected employees. A grantee shall not have any interest or rights (including the right to receive dividends) in the shares prior to the vesting of the shares.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share award reserve.

On 24 March 2022, the Company granted a total of 10,230,593 shares to 340 selected employees pursuant to the 2016 Scheme at nil consideration. The fair value of the shares granted pursuant to the 2016 Scheme were determined with reference to market value of the shares at the award date taking into account the exclusion of the expected dividends as the employees were not entitled to receive dividends paid during the vesting periods of the shares. The shares granted would be vested over a requisite service period up to three years from the date of grant and performance targets which must be attained. Performance targets comprise a mixture of key financial performance indicators and individual targets linked to a comprehensive appraisal of each individual grantee's performance and contribution to the Group.

As at 30 June 2025, an aggregate of 12,378,531 shares (31 December 2024: 14,752,257 shares) of the Company had been purchased and held by the 2016 Trustee, in which 483,711 (31 December 2024: 327,574) Awarded Shares were vested and were still held under the 2016 Trust. Since the date of adoption of the 2016 Scheme up to 30 June 2025, no new shares had been issued to the 2016 Trustee.

17. SHARE AWARD SCHEME (continued)

Share award scheme of the Company (continued)

2016 share award scheme of the Company (continued)

Movement of the shares granted to selected employee(s) under the 2016 Scheme during the periods ended 30 June 2025 and 30 June 2024 are as follows:

For the period ended 30 June 2025

		Number of shares			
Date of grant	**Vesting period**	**At 1 January 2025**	**Vested on 24 March 2025**	**Shares entitlement forfeited**	**At 30 June 2025**
24 March 2022	24 March 2022 to 24 March 2025	**2,613,238**	**(2,529,863)**	**(83,375)**	**–**

For the period ended 30 June 2024

		Number of shares			
Date of grant	Vesting period	At 1 January 2024	Vested on 24 March 2024	Shares entitlement forfeited	At 30 June 2024
24 March 2022	24 March 2022 to 24 March 2024	2,790,916	(2,627,518)	(163,398)	–
24 March 2022	24 March 2022 to 24 March 2025	2,799,296	–	(72,730)	2,726,566
		5,590,212	(2,627,518)	(236,128)	2,726,566

The terms and conditions of the grants are as follows for both periods:

	Number of shares	Vest condition	Date of grant	Vesting period	Market value per share HK$	Fair value of shares HK$
Shares awarded to selected employees	3,406,787	1 year from the date of grant	24 March 2022	24 March 2022 to 24 March 2023	17.64	60,095,731
	3,406,787	2 years from the date of grant	24 March 2022	24 March 2022 to 24 March 2024	17.64	60,095,731
	3,417,019	3 years from the date of grant	24 March 2022	24 March 2022 to 24 March 2025	17.64	60,276,199
	10,230,593					180,467,661

17. SHARE AWARD SCHEME (continued)

Share award scheme of the Company (continued)

2016 share award scheme of the Company (continued)

On 28 April 2025, for better administration of the 2016 Scheme, the Board resolved to enter into a deed of amendment to the trust deed of the 2016 Scheme (the "2016 Scheme Trust Deed") with the 2016 Trustee to amend the 2016 Scheme Trust Deed and the scheme rules under the 2016 Scheme to, amongst others, (i) remove relevant clauses for issuing or allotting new Shares to the 2016 Trustee; and (ii) allow the Shares held by the 2016 Trustee, except for the outstanding awarded Shares being held by the 2016 Trustee for the benefit of the employees under the 2016 Scheme, to be transferred to other trustee(s) of any other trust(s) constituted or to be constituted for the purpose of implementing share award scheme(s) that has been adopted and/or may be adopted by the Company at any time during or after the trust period upon written instructions by the Board to the 2016 Trustee. Save for the aforementioned amendments and certain housekeeping changes, all other terms under the 2016 Scheme remain unchanged.

On 23 May 2025, the Company granted a total of 3,559,294 Awarded Shares to 536 selected employees pursuant to the 2016 Scheme at nil consideration. The fair value of the shares granted pursuant to the 2016 Scheme were determined with reference to market value of the shares at the award date taking into account the exclusion of the expected dividends as the employees were not entitled to receive dividends paid during the vesting periods of the shares. The shares granted would be vested over a requisite service period of up to three years from the date of grant subject to the relevant key performance targets.

For the period ended 30 June 2025

		Number of shares			
Date of grant	Vesting period	At 1 January 2025	Granted on 23 May 2025	Shares entitlement forfeited	At 30 June 2025
23 May 2025	23 May 2025 to 23 May 2026	–	1,779,760	–	–
23 May 2025	23 May 2025 to 23 May 2027	–	889,840	–	–
23 May 2025	23 May 2025 to 23 May 2028	–	889,694	–	–
		–	3,559,294	–	–

17. SHARE AWARD SCHEME (continued)

Share award scheme of the Company (continued)

2016 share award scheme of the Company (continued)

For the period ended 30 June 2025 (continued)

The terms and conditions of the grants are as follows:

	Number of shares	Vest condition	Date of grant	Vesting period	Market value per share HK$	Fair value of shares HK$
Shares awarded to selected employees	1,779,760	1 year from the date of grant	23 May 2025	23 May 2025 to 23 May 2026	38.0	67,630,880
	889,840	2 years from the date of grant	23 May 2025	23 May 2025 to 23 May 2027	38.0	33,813,920
	889,694	3 years from the date of grant	23 May 2025	23 May 2025 to 23 May 2028	38.0	33,808,372
	3,559,294					135,253,172

During the six months ended 30 June 2025, the Group recognised total expenses of RMB14,759,000 (six months ended 30 June 2024: RMB12,650,000) in relation to the 2016 Scheme shares granted by the Company.

2023 share award scheme of the Company

The Company has adopted a new share award scheme pursuant to a resolution passed on 17 April 2023 (the "2023 Scheme") which constituted by a Trust Deed between the Company and BOCI Trustee (Hong Kong) Limited (the "2023 Trustee"), in which employees may be selected by the Board of Directors to participate. Pursuant to the 2023 Scheme, shares of the Company will be subscribed for at a subscription price as determined by the Board of the Company, or purchased on the Hong Kong Stock Exchange, by the 2023 Trustee of the trusts declared in the trust deed.

On the grant of the share awards, the relevant number of shares may be legally issued or transferred to the 2023 Trustee who holds the shares for the benefit of the selected employees. A grantee shall not have any interest or rights (including the right to receive dividends) in the shares prior to the vesting of the shares.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share award reserve.

During the six months ended 30 June 2025, the 2023 Trustee has no purchased shares on the Hong Kong Stock Exchange.

During the six months ended 30 June 2024, the 2023 Trustee purchased an aggregate of 2,700,000 shares at prices ranging from HK$23.45 to HK$25.00 per share at a total consideration of HK$65,646,000 (equivalent to approximately RMB59,666,000) on the Hong Kong Stock Exchange for the purpose of the 2023 Scheme.

17. SHARE AWARD SCHEME (continued)

Share award scheme of the Company (continued)

2023 share award scheme of the Company (continued)

As at 30 June 2025, an aggregate of 11,819,000 shares (31 December 2024: 11,819,000 shares) of the Company had been purchased and held by the 2023 Trustee. Since the date of adoption of the 2023 Scheme up to 30 June 2025, no new shares had been issued to the 2023 Trustee.

No share awards have been granted to any employees since adoption of the 2023 Scheme.

Subsidiary share incentive scheme ("Subsidiary Scheme")

AAC Optics, a subsidiary of the Company, entered into a capital increase agreement with three limited partnerships ("Platforms"), with the purpose to create share incentive platforms. The Subsidiary Scheme entitles selected employees of AAC Optics ("Eligible Scheme Participants") to subscribe the shares of AAC Optics, accounted for approximately 2.0% of the enlarged share capital or 135,377,918 shares of AAC Optics, corresponding to a consideration of RMB135,377,918 or at the subscription price of RMB1 per share of AAC Optics at the time of grant, which is payable at the same time. Under the Subsidiary Scheme, the Eligible Scheme Participants would settle the subscription price of shares by cash or by combination of cash and related approved loans from the Group or Platforms at market interest rate. During the six months ended 30 June 2025, the net cash payment to the Eligible Scheme Participants under the Subsidiary Scheme was RMB729,000 (six months ended 30 June 2024: nil).

Except for 11,163,857 shares which were granted and vested immediately in 2021, the remaining shares would be vested over a requisite service period of up to three-and-a-half year subject to the relevant key performance targets of AAC Optics during the vesting period ("Restricted Shares"). Upon the issue of new shares that are vested under the Subsidiary Scheme, the Group's interest in AAC Optics has been changed. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity (retained profits) and attributed to owners of the Company.

During the six months ended 30 June 2025, the Group repurchased 62,500 Restricted Shares at the subscription price of RMB1 per share of AAC Optics from the Eligible Scheme Participants and no shares were granted during the six months ended 30 June 2025.

During the six months ended 30 June 2024, the Group repurchased of 21,984,364 Restricted Shares at the subscription price of RMB1 per share of AAC Optics from the Eligible Scheme Participants and no shares were granted during the six months ended 30 June 2024. In addition, during the six months ended 30 June 2024, the Group repurchased 1,866,630 vested shares at the consideration of RMB1,867,000 and the amount is included in other payable as at 30 June 2024, and those repurchased shares are available to be granted to the Eligible Scheme Participants.

As at 30 June 2025, the net cash proceed of unvested portion of Restricted Shares, amounting to RMB23,858,000, is recorded as other payables as the shares are contingently returnable (31 December 2024: RMB23,921,000). In addition, as at 30 June 2025, for the consideration of repurchased shares amounted to RMB33,817,000 (31 December 2024: RMB34,447,000) is not yet repaid and is recorded as other payables.

17. SHARE AWARD SCHEME (continued)

Subsidiary share incentive scheme ("Subsidiary Scheme") (continued)

A summary of activities of the restricted shares with vesting condition of the Subsidiary Scheme is presented as follows:

	Number of restricted shares	Fair value of share incentive at grant date RMB'000
Unvested as at 1 January 2024	46,051,928	77,532
Repurchased during the period	(21,984,364)	(37,012)
Unvested as at 30 June 2024	24,067,564	40,520
Unvested as at 1 January 2025	**23,920,595**	**40,272**
Repurchased during the period	**(62,500)**	**(105)**
Unvested as at 30 June 2025	**23,858,095**	**40,167**

The fair value of Restricted Shares granted is measured on the basis of a transacted price.

As of 30 June 2025, there are 100,355,966 Restricted Shares arising from the repurchased, including those unvested shares and vested shares (31 December 2024: 100,293,466 Restricted Shares) held under the Platforms which are available to be granted to the Eligible Scheme Participants.

During the six months ended 30 June 2025, the subsidiary recognised share-based payment expense of RMB1,386,000 (six months ended 30 June 2024: reversed share-based payment expense of RMB27,215,000) in relation to the shares granted by the subsidiary under Subsidiary Scheme and the amount is credited (six months ended 30 June 2024: debited) to the non-controlling interests in the Group.

At the end of each reporting period, the Group revises its estimates of the Restricted Shares that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to share-based payments reserve including in the non-controlling interests.

18. CAPITAL COMMITMENTS

	30.6.2025 RMB'000 (Unaudited)	31.12.2024 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– acquisition of property, plant and equipment	**999,068**	762,282
– capital contribution to a financial asset at FVTPL	**126,620**	243,343
	1,125,688	1,005,625

19. ACQUISITION OF SUBSIDIARIES

Acquisition of Hebei First Light

In 2025, the Group acquired 53.74% interest in Hebei First Light, which principally engaged in and primarily focusing on developing automotive factory-installed electronic products, at a cash consideration of RMB288,371,000. The acquisition was completed and acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred of the acquisition date

	RMB'000
Cash transferred	285,787
Other payables recognised for consideration payable	2,584
Total consideration	288,371

Note:

The acquisition-related costs are insignificant and have been excluded from the consideration transferred and recognised in profit or loss.

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	29,918
Right-of-use assets	18,685
Intangible assets (note a)	140,445
Deferred tax assets	2,899
Pledged bank deposits	4,000
Cash and cash equivalents	44,844
Trade and other receivables	91,380
Inventories	86,923
Trade and other payables	(76,980)
Lease liabilities	(19,326)
Taxation payable	(1,404)
Deferred tax liabilities (note b)	(23,152)
Bank loans	(42,680)
Net assets	255,552

Notes:

(a) The amounts mainly represent the fair value of customer relationship of RMB135,663,000 acquired in the acquisition of the Hebei First Light. The useful life of the intangible assets is determined by reference to the comparable market information.

(b) The deferred tax liabilities mainly relating to the fair value adjustment of intangible assets which deferred tax liabilities amounted to approximately RMB20,349,000, which is calculated at the income tax rate of 15%.

19. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of Hebei First Light (continued)

Non-controlling interests

The non-controlling interests 46.26% in Hebei First Light recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net identifiable assets of Hebei First Light and amounted to RMB118,220,000.

Goodwill arising on acquisition

	RMB'000
Consideration transferred	288,371
Plus: non-controlling interests (46.26% in Hebei First Light)	118,220
Less: recognised amounts of net assets acquired	(255,552)
Goodwill arising on acquisition	151,039

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflows arising on acquisition of Hebei First Light

	1.1.2025 to 30.6.2025 RMB'000
Total consideration	288,371
Less: Cash and cash equivalents acquired	(44,844)
Other payables	(2,584)
	240,943

Impact of acquisition on the results of the Group

Included in the profit for the period ended 30 June 2025 is RMB2,232,000 attributable to the additional business generated by Hebei First Light. Revenue for the period ended 30 June 2025 includes RMB20,592,000 generated from Hebei First Light.

Had the acquisition of Hebei First Light been completed on 1 January 2025, revenue for the period ended 30 June 2025 of the Group would have been RMB13,415,723,000, and the profit for the period ended 30 June 2025 of the Group would have been RMB882,132,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Hebei First Light Group been acquired at the beginning of the period ended 30 June 2025, the Directors of the Company calculated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets based on their recognised amounts at the date of the acquisition.

19. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of PSS

On 10 August 2023, the Group entered into the sale and purchase agreement pursuant to which the Group agreed to purchase all of the issued shares of the PSS Group. Pursuant to such agreement, the Group will purchase the sale shares from the Sellers in two tranches, with the First Tranche Transaction and the Second Tranche Transaction comprising 80% and 20%, respectively, of the issued shares in the capital of the PSS Group.

The First Tranche Transaction purchase price comprises the sum of US$320,000,000 (the "Initial Purchase Price") (representing an equity value of US$400,000,000 for 100% of the sale shares) together with interest thereon from 1 April 2023 to the date of first tranche completion less the price adjusting leakage (if any) (the "First Tranche Consideration").

The Second Tranche Transaction purchase price will comprise the sum of: (i) an agreed multiple of the target earnings before interest, taxes, depreciation and amortisation (the "EBITDA") plus (ii) the target adjusted net financial debt (cash) multiplied by 20% together with interest thereon from the second tranche effective date (being 1 April 2025) (or the postponed second tranche effective date, being 1 April 2026 or 1 April 2027) to the date of second tranche completion. The Sellers or the Group have the right to postpone the second tranche effective date from 1 April 2025 up to two times by one year each time, that is, to 1 April 2026 or 1 April 2027. If the postponement right is exercised by one of the parties and the other party disagrees with the postponement, the Group will purchase the second tranche shares at an agreed fixed purchase price together with interest thereon (the "Second Tranche Consideration").

The First Tranche Transaction is completed on 9 February 2024. After considering the terms under the sale and purchase agreement and shareholders' agreement dated 10 August 2023, the Directors of the Company considered that the Group has effectively acquired 100% interest in the PSS Group upon the completion of the First Tranche Transaction. The Second Tranche Consideration is considered to be deferred consideration. The consideration and PSS Group's financial information represented below are as at acquisition date of 9 February 2024.

Acquisition Consideration as at 9 February 2024

	RMB'000
First Tranche Transaction – Cash consideration at completion	1,924,223
Escrow deposit for acquisition of subsidiaries paid in 2023	284,156
First Tranche Consideration (note a)	2,208,379
Second Tranche Consideration – Contingent consideration payables (note b)	1,236,991
	3,445,370

19. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of PSS (continued)

Acquisition Consideration as at 9 February 2024 (continued)

Notes:

a. The First Tranche Consideration comprise of:

   (i) the First Tranche Transaction purchase price of US$320,000,000 (equivalent to RMB2,273,252,000);
   (ii) plus the interest thereon from 1 April 2023 to 9 February 2024 calculated on a daily basis at the rate of 6.75% per annum, amounting to US$18,641,000 (equivalent to approximately RMB132,424,000);
   (iii) less the price leakage adjustment of US$27,773,000 (equivalent to approximately RMB197,297,000).

b. The amount represents the Second Tranche Consideration which could be (a) US$136,409,000 (equivalent to RMB969,036,000) if the Sellers exercise their postponement right and the Group disagrees, or (b) US$204,613,000 (equivalent to RMB1,453,550,000) if the Group exercises its postponement right and the Sellers disagree, or (c) an agreed multiple of the PSS Group's EBITDA plus the PSS Group's adjusted net financial debt (cash) multiplied by 20% plus interest on the Second Tranche Purchase Price calculated on a daily basis at the rate of 6.75% per annum from the second tranche effective date (being 1 April 2025) (or the postponed second tranche effective date, being 1 April 2026 or 1 April 2027) to the date of second tranche completion. The Directors of the Company have estimated the Second Tranche Purchase Price to be US$174,128,500 (equivalent to approximately RMB1,236,991,000), which is determined based on the fair value of the identified assets and liabilities with reference to the valuation carried out by an independent qualified professional valuer to purchase remaining 20% of the issued shares of the PSS Group. As at 30 June 2025, the latest fair value of the contingent consideration payables amounted to US$128,593,000 plus interest of US$2,878,000, total amounted to US$131,471,000, equivalent to approximately RMB941,320,000 (31 December 2024: amounted to US$175,399,000, equivalent to approximately RMB1,260,837,000). The change in fair value during the period is recognised in "other gains and losses".

Acquisition-related costs amounting to RMB37,131,000 have been excluded from the consideration transferred, in which RMB6,461,000 have been recognised directly as an expense in the period ended 30 June 2024, while the remaining were recognised during the year ended 31 December 2023, within the "administrative expenses" line item in the condensed consolidated statement of profit or loss.

19. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of PSS (continued)

Assets acquired and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	440,348
Right-of-use assets	316,112
Intangible assets (note a)	1,299,025
Deferred tax assets	23,022
Derivative financial instruments – assets	28,396
Contract costs	45,429
Cash and cash equivalents	451,422
Trade and other receivables	788,051
Inventories	533,765
Taxation recoverable	14,779
Trade and other payables	(1,081,920)
Contract liabilities	(57,821)
Lease liabilities	(328,727)
Taxation payable	(27,575)
Deferred tax liabilities (note b)	(335,333)
Derivative financial instruments – liabilities	(9,680)
Bank loans	(464,181)
Defined benefit obligations	(7,766)
Net assets	1,627,346

Notes:

(a) The amounts mainly represent the fair value of customer relationship of RMB968,971,000 and technology of RMB266,396,000 acquired in the acquisition of the PSS Group. The useful life of the intangible assets is determined by reference to the comparable market information.

(b) The deferred tax liabilities mainly relating to the fair value adjustment of property, plant and equipment and intangible assets which deferred tax liabilities amounted to approximately RMB321,967,000, which is calculated at the Belgium corporate income tax rate of 25%.

Goodwill arising on acquisition

	RMB'000
Consideration transferred	3,445,370
Less: recognised amounts of net assets acquired	(1,627,346)
Goodwill arising on acquisition	1,818,024

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

19. ACQUISITION OF SUBSIDIARIES (continued)

Acquisition of PSS (continued)

Net cash outflows arising on acquisition of PSS Group

	1.1.2024 to 30.6.2024 RMB'000
Total consideration	3,445,370
Less: Cash and cash equivalents acquired	(451,422)
Escrow deposit for acquisition of a subsidiary	(284,156)
Contingent consideration payables	(1,236,991)
	1,472,801

Impact of acquisition on the results of the Group

Included in the profit for the period ended 30 June 2024 is RMB121,752,000 attributable to the additional business generated by the PSS Group. Revenue for the period ended 30 June 2024 includes RMB1,495,635,000 generated from the PSS Group.

Had the acquisition of PSS Group been completed on 1 January 2024, revenue for the period ended 30 June 2024 of the Group (including PSS Group) would have been RMB11,534,082,000, and the profit for the period ended 30 June 2024 of the Group (including PSS Group) would have been RMB557,260,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had PSS Group been acquired at the beginning of the period ended 30 June 2024, the Directors of the Company calculated depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets based on their recognised amounts at the date of the acquisition.

20. RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the condensed consolidated financial statements, during the period, the Group had the following significant transactions with related parties, all of which are transacted with entities controlled by close family members of substantial shareholders of the Company. The substantial shareholders are also certain Directors of the Company.

Nature of balances/transactions	**1.1.2025 to 30.6.2025 RMB'000 (Unaudited)**	1.1.2024 to 30.6.2024 RMB'000 (Unaudited)
Purchase of raw materials	**63,196**	36,370
Services fee recharged	**–**	276
Property rentals received	**–**	777
Payment for leases liabilities	**8,153**	8,063
Interest on lease liabilities	**220**	491
Loan lending	**899**	–
Interest on loan lending	**918**	778
Lease liabilities	**7,578**	21,916

During the period, the emoluments paid to the key management personnel of the Company, who represent the Directors of the Company, were RMB3,646,000 (six months ended 30 June 2024: RMB3,988,000).

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The managements have set up an investment team, which is headed up by the Executive Vice President of the Company.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The investment team and finance team work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Financial assets	Fair value as at 30.6.2025 RMB'000 (Unaudited)	Fair value as at 31.12.2024 RMB'000 (Audited)	Fair value hierarchy	Valuation technique(s) and key input (s)	Significant unobservable input(s)	Sensitivity/relationship of unobservable inputs to fair value
Equity instruments at FVTOCI – Listed shares	29,155	31,424	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity instruments at FVTOCI – Unlisted equity investments	92,764	92,601	Level 3	Income approach. The discounted cash flow method was used to capture future economic benefits to be derived from the ownership of these investments.	Discount rate, taking into account weighted average cost of capital determined using a Capital Asset Pricing Model.	The higher the discount rate, the lower the fair value, and vice versa.
					Forecasted future cash flows.	The higher the forecast future cash flow, the higher the fair value, and vice versa.
Equity instruments at FVTOCI – Unlisted equity investments	462,788	464,698	Level 3	Market approach. The market approach was used to determine the valuation using trailing-twelve-month ("TTM") Price-to-Sales ("P/S") multiples of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The lack of marketability discount.	The higher the lack of marketability discount, the lower the fair value.
					TTM P/S multiples of selected comparable companies.	The higher the TTM P/S multiples, the higher the fair value.
Equity instruments at FVTOCI – Unlisted equity investments	–	9,691	Level 3	Recent transaction prices of underlying investments.	N/A	N/A
Total equity instruments for FVTOCI	584,707	598,414				
Financial assets at FVTPL	92,733	51,264	Level 3	Binomial Option Pricing Model	Volatility	The higher the volatility, the higher the fair value, and vice versa.
Financial assets at FVTPL	507,769	366,899	Level 3	Market approach. The market approach was used to determine the valuation based on the recent transaction prices of underlying investments or using TTM P/S multiples of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The lack of marketability Discount.	The higher the lack of marketability discount, the lower the fair value.
					TTM P/S multiples of selected comparable companies.	The higher the TTM P/S multiples, the higher the fair value.
Financial assets at FVTPL	20,000	31,499	Level 3	Recent transaction prices of underlying investments	N/A	N/A
Total financial assets at FVTPL	620,502	449,662				

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis (continued)

Financial assets/ liabilities	Fair value as at 30.6.2025 RMB'000 (Unaudited)	Fair value as at 31.12.2024 RMB'000 (Audited)	Fair value hierarchy	Valuation technique (s) and key input (s)	Significant unobservable input(s)	Sensitivity/relationship of unobservable inputs to fair value
Foreign currency forward contracts	**Assets – 12,167 (not under hedge accounting)** **Liabilities – – (under hedge accounting)** **Liabilities – 13,478 (not under hedge accounting)**	Assets – 4,155 (not under hedge accounting) Liabilities – 71,593 (under hedge accounting) Liabilities – 49,966 (not under hedge accounting)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable yield curves at the end of the reporting period) and contracted exchange rates, discounted at a rate that reflects the credit risks of various counterparties.	N/A	N/A
Interest rate swap contracts	**Liabilities – 1,044 (under hedge accounting)**	Liabilities – 1,526 (under hedge accounting)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contracted interest rates, discounted at an applicable discount rate taking into account the credit risk of the counterparties and of the Group as appropriate.	N/A	N/A
Contingent consideration payables	**941,320**	1,260,837	Level 3	The discounted cash flow method was used to estimate future economic outflow to the sellers.	Discount rate, taking into account incremental borrowing rate. Forecasted future cash flows.	The higher the discount rate, the lower the fair value, and vice versa. The higher the forecast future cash flow, the higher the fair value, and vice versa.

21. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI RMB'000	Financial assets at FVTPL RMB'000	Contingent consideration payables RMB'000
At 1 January 2024 (audited)	427,528	413,301	–
(Capital return) purchase made	(5,246)	8,168	–
Acquisition of subsidiaries	–	–	(1,236,991)
Fair value (loss) gain:			
– in profit and loss	–	(4,935)	8,737
– in other comprehensive income	(29,064)	–	–
Currency realignment	787	2,575	–
At 30 June 2024 (unaudited)	394,005	419,109	(1,228,254)
At 1 January 2025 (audited)	**566,990**	**449,662**	**(1,260,837)**
Purchase made	**11,726**	**169,316**	**–**
Fair value gain (loss):			
– in profit and loss	**–**	**3,908**	**319,517**
– in other comprehensive income	**(22,680)**	**–**	**–**
Currency realignment	**(484)**	**(2,384)**	**–**
At 30 June 2025 (unaudited)	**555,552**	**620,502**	**(941,320)**

Fair value changes for the period included in "other gains and losses" in the consolidated statement of profit or loss, of which RMB3,908,000 fair value gain (six months ended 30 June 2024: RMB4,935,000 fair value loss) relates to financial assets at FVTPL and RMB319,517,000 fair value gain (six months ended 30 June 2024: RMB8,737,000 fair value gain) relates to contingent consideration payables at the end of the current reporting period.

Included in other comprehensive income is an amount of RMB22,680,000 fair value loss (six months ended 30 June 2024: RMB29,064,000 fair value loss) relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as changes of FVTOCI.

Fair value of the Group's financial instruments that are not measured at fair value on a recurring basis

Except for those listed unsecured notes in which there is fair value based on the quoted bid price in an active market, amounting to RMB3,513,407,000 (31 December 2024: RMB3,441,301,000), the management considers that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

22. EVENT AFTER THE REPORTING PERIOD

Subsequent to the current interim period, the Group entered into the sale and purchase agreement pursuant to which the Group agreed to purchase part of the equity interest in 先鋒高科技(上海)有限公司 (XIANFENG TECHNOLOGY (SHANGHAI) CO., LTD.) and its subsidiaries ("PSG Group"). The transaction is expected to be finalised in the second half of 2025, subject to the fulfilment of the completion conditions. The financial impact and other information of the transaction are in progress at the time these condensed consolidated financial statements are authorised for issue. Subsequent to the completion, PSG Group will become non-wholly owned subsidiaries of the Group.

Also, the Group completed the Second Tranche Transaction of acquisition of PSS Group with the total purchase price of US$128,593,000 plus interest, the balance of contingent consideration payables had been settled accordingly. Further details of the completion were set out in the Company's announcement dated 31 July 2025.

Past 5 First-half Financial Summary

RESULTS	Six months ended 30 June 2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Revenue	8,609,140	9,411,777	9,218,944	11,246,971	**13,318,486**
Reported profit before taxation	981,738	424,517	174,832	627,926	**1,034,839**
Taxation	(53,242)	(142,468)	(127,354)	(111,826)	**(161,623)**
Reported profit	928,496	282,049	47,478	516,100	**873,216**
Attributable to:					
Owners of the Company-reported	920,952	350,090	150,304	537,028	**875,672**
Non-controlling interests	7,544	(68,041)	(102,826)	(20,928)	**(2,456)**
	928,496	282,049	47,478	516,100	**873,216**
Reported Basic EPS	RMB0.76	RMB0.29	RMB0.13	RMB0.46	**RMB0.76**
Adjusted recurring Basic EPS	RMB0.76	RMB0.29	RMB0.13	RMB0.48	**RMB0.48**
Interim dividend	HK$0.20	–	–	–	**–**
No. of shares (weighted average)	1,208,500,000	1,200,190,000	1,182,185,000	1,173,213,000	**1,158,809,000**
Non-GAAP financial measure of non-recurring gains and/or losses:					
Adjustment related to the Group's fair value change on financial asset investments, derivative financial instruments and contingent consideration payables, as disclosed in the interim report of reception years:					
i. (Deduct the gain)/add back the losses on fair value change of derivative financial instruments	–	(4,812)	–	25,676	**9,640**
ii. Add back/(deduct the gain) the losses on financial assets at fair value through profit & loss	–	–	–	4,935	**(3,908)**
iii. Deduct the gain on fair value change of contingent consideration payables	–	–	–	(8,737)	**(319,517)**
Non-GAAP measure of recurring profit before taxation, as adjusted	981,738	419,705	174,832	649,800	**721,054**
Non-GAAP measure of recurring profit attributable to owners of the Company, as adjusted	920,952	345,278	150,304	558,902	**561,887**
Non-GAAP measure of basic recurring EPS, as adjusted	RMB0.76	RMB0.29	RMB0.13	RMB0.48	**RMB0.48**

ASSETS AND LIABILITIES	As at 30 June 2021 RMB'000	2022 RMB'000	2023 RMB'000	2024 RMB'000	**2025** **RMB'000**
Total assets	41,648,932	40,590,037	39,419,506	44,072,502	**47,034,876**
Total liabilities	(19,117,506)	(18,016,536)	(17,491,669)	(21,395,403)	**(23,273,961)**
Net assets	22,531,426	22,573,501	21,927,837	22,677,099	**23,760,915**
Attributable to owners of the Company	21,834,870	21,928,675	21,490,703	22,239,056	**23,293,035**
Non-controlling interests	696,556	644,826	437,134	438,043	**467,880**
	22,531,426	22,573,501	21,927,837	22,677,099	**23,760,915**

Investors Information

STOCK CODES

HKEX: 2018
Bloomberg: 2018: HK
Reuters: 2018.HK
ISIN: KYG2953R1149

2026 Notes: 40699
2031 Notes: 40700

MAJOR MARKET INDEXES

I. Constituent stock of the Hang Seng Index and included in other sub-indexes:
   - Composite MidCap Index
   - Composite Industry Index (Industrials)
   - Composite LargeCap & MidCap Index
   - Hang Seng Composite MidCap & SmallCap Index
   - Large-Mid Cap (Investable) Index
   - Large-Mid Cap Dividend Yield Comprehensive Index
   - Large-Mid Cap Low Size Comprehensive Index
   - Large-Mid Cap Low Volatility Comprehensive Index
   - Large-Mid Cap Momentum Comprehensive Index
   - Large-Mid Cap Quality Select Index
   - Large-Mid Cap Value Comprehensive Index
   - Large-Mid Cap Equal Weighted Factor Mix (QVLM) Index (effective from 6 December 2021)
   - Large-Mid Cap Risk Parity Factor Mix (QVLM) Index(effective from 6 December 2021)
   - SCHK China Technology Index
   - SCHK Mainland China Companies Index
   - SCHK Automobile Index
   - Stock Connect Greater Bay Area Composite
   - Stock Connect Hong Kong Index
   - Stock Connect Hong Kong MidCap & SmallCap Index

II. Constituent stock of the Hang Seng Corporate Sustainability Index and included in other sub-indexes:
   - Corporate Sustainability Index (Mainland and HK)
   - Hang Seng Climate Change 1.5º C Target Index
   - ESG 50 Index

III. Constituent stock of the FTSE4Good Index

IV. MSCI China Index
   - CHINA ESG BROAD CTB SELECT
   - MSCI China ESG Leaders Index

MARKET CAPITALIZATION AND SHARE PRICE PERFORMANCE

As at 30 June 2025, the market capitalization of listed Shares of the Company was approximately HK$47.82 billion or US$6.09 billion based on the total number of 1,174,887,500 issued Shares of the Company (excluding treasury Shares) and the closing price of HK$40.70 per Share.

The daily average number of traded Shares was approximately 8.23 million Shares over an approximate free float of 715.85 million shares in 1H 2025. The average closing price was HK$41.49 per Share, an increase of 76.40% when compared with the average of 1H 2024. The highest closing price was HK$53.85 per share on 19 March 2025 and the lowest was HK$32.60 per share on 16 April 2025.

Based on the publicly available information and as far as the Directors are aware, the Company has maintained a public float of more than 25% of the Company's issued Shares throughout the six months ended 30 June 2025 and has continued to maintain the public float as at the date of this interim report.

KEY DATES FOR SHAREHOLDERS

March 2026	2025 Annual Results Announcement
April 2026	2025 Annual Report

Any changes to these dates in 2026 will be published on the websites of the Hong Kong Stock Exchange and the Company.

Investors Information

FINANCIAL AND SUSTAINABILITY REPORTS

The Company's financial reports are printed in English and Chinese language and are available at the Company's website: www.aactechnologies.com and on the designated website of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk. If Shareholders have any difficulty in receiving or gaining access to the financial reports posted on the Company's website for any reason or wish to receive the financial reports in printed form, please write to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or by email to aac.ecom@computershare.com.hk. The share registrar should promptly upon request send the printed version of the financial reports free of charge.

The Company's sustainability reports are published online in English and Chinese language and are available on the websites of the Company and Hong Kong Exchange and Clearing Limited, as above.

CONTACT INVESTOR RELATIONS

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Official IR Wechat Account

Definition and Glossary

Abbreviations	Meanings
General	
1H	The first half of the year
2016 Share Award Scheme/2016 Scheme	The Employee's Share Award Scheme adopted by the Board on 23 March 2016 and amended with effect from 28 April 2025
2016 Scheme Trustee/2016 Trustee	Bank of Communications Trustee Limited, an independent trustee appointed by the Company for managing the 2016 Share Award Scheme
2023 Share Award Scheme/2023 Scheme	The Employee's Share Award Scheme adopted by the Board on 17 April 2023 and amended with effect from 22 May 2025
2023 Scheme Trustee/2023 Trustee	BOCI Trustee (Hong Kong) Limited, an independent trustee appointed by the Company for managing the 2023 Share Award Scheme
AAC/AAC Technologies/the Company	AAC Technologies Holdings Inc.
AAC Belgium	AAC Technologies (Belgium) BV
AAC Investment	AAC (China) Investment Group Co., Ltd.
AAC Optics	AAC Optics (Changzhou) Co., Ltd.
AGM	Annual General Meeting
Articles	The articles of association of the Company
ASP(s)	Average selling price
Board	The Board of directors of the Company
Board Committees	Committees of the Board
CAPEX	Capital expenditure
CEO	Chief Executive Officer
CG Code	Corporate Governance Code
Code Provision(s)	Code Provisions of the CG Code
Computershare	Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
Deloitte	Messrs. Deloitte Touche Tohmatsu
Director(s)	The director(s) of the Company
EBITDA	Profit (Earnings) before interest, tax, depreciation and amortization
ED(s)	Executive Director(s)
EIT Law	Law of the PRC on Enterprise Income Tax
EPS	Earnings per share
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
EVP	Executive Vice President
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss

Definition and Glossary

Abbreviations	Meanings
GloBE Rules	The Global Anti-Base Erosion Rules
Hebei First Light	Hebei First Light Auto Parts Co., Ltd.
HKEX/Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Companies Ordinance	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
IAS	International Accounting Standard
IDC	International Data Corporation
IECQ	International Electrotechnical Commission Quality Assessment System for Electronic Components
IFRS(s)	International Financial Reporting Standards
INED(s)	Independent non-executive Director(s)
Memorandum	Memorandum of Association of the Company
MD	Managing Director
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 to the Hong Kong Listing Rules
MSCI	Morgan Stanley Capital International
NED	Non-executive Director
OEM	Original Equipment Manufacturer
OIS	Optical Image Stabilization
Ordinary Shares	Ordinary shares in the capital of the Company
P/S	Price-to-Sales
PPM	Parts per Million
PSG Group	XIANFENG TECHNOLOGY (SHANGHAI) CO., LTD. and its subsidiaries
PSS	Premium Sound Solutions
PSS Group	Acoustics Solutions International B.V. and its subsidiaries
RNC	Road noise cancellation
ROA	Return on average total assets
ROE	Return on average equity
R&D	Research & Development
Sellers	Acoustics Solutions Holding B.V. and Stichting Administratiekantoor Acoustics Solutions International
SC	Sustainability Committee
SCHK	Hong Kong Stock Connect Scheme
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Shareholders	The shareholders of the Company
SNR	Signal-to-noise ratio
SWG	Sustainability Working Group
The Group	AAC Technologies Holdings Inc. and its subsidiaries

Definition and Glossary

Abbreviations	Meanings
TTM	Trailing-twelve-month
VC	Vapor chamber
ppts	Percentage points
YoY	Year-on-year
America/US	The United States of America
China/PRC	The People's Republic of China
EU	European Union
Hong Kong	Hong Kong Special Administrative Region
HK$	Hong Kong dollars, the lawful currency of Hong Kong
RMB	Renminbi, the lawful currency of PRC
GBP	Great Britain pound, the lawful currency of Britain
USD/US$	US Dollars, the lawful currency of United States
Industry	
AI	Artificial Intelligence
AR	Augmented Reality
EV	Electric vehicle
HNTE	High-New Technology Enterprises
MEMS	Micro Electro-Mechanical Systems
NEVs	New Energy Vehicles
SLS	Super Linear speakers
SSE	Sensor and Semiconductor
VR	Virtual Reality
WLG	Wafer-level glass

瑞聲科技控股有限公司
AAC Technologies Holdings Inc.