

藍思科技股份有限公司 Lens Technology Co., Ltd.

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

Stock Code: 6 6 1 3



2025 INTERIM REPORT



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Definitions

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

Item	Content
AI	Artificial Intelligence
AIoT	Artificial Intelligence & Internet of Things
AR	Augmented Reality
A Share(s)	domestic ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shenzhen Stock Exchange
Audit Committee	the audit committee of the Board
Board or Board of Directors	the board of Directors
Changsha Qunxin	Changsha Qunxin Investment Consulting Company Limited* (長沙群欣投資諮詢有限公司), a limited liability company established in PRC on March 18, 2011, and one of the Controlling Shareholders of the Company
China or the PRC	the People's Republic of China
Company or Lens Technology	Lens Technology Co., Ltd. (藍思科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on December 21, 2006, the A Shares and H Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300433) and the Main Board of the Hong Kong Stock Exchange (stock code: 6613), respectively
Controlling Shareholder(s)	has the meaning ascribed thereto under the Hong Kong Listing Rules
Corporate Governance Code	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
Director(s)	director(s) of the Company
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Listing Rules	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
H Share(s)	overseas listed foreign ordinary share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed and traded on the Hong Kong Stock Exchange

Item	Content
HUD	Head-Up Display
Independent Director(s)	independent non-executive Director(s)
Interim Financial Information	the interim condensed consolidated financial statements of the Group for the six months ended June 30, 2025
Lens Hualian	Hunan Lens Hualian Precious Ceramics Company Limited* (湖南藍思華聯精瓷有限公司), a limited liability company incorporated under the laws of the PRC on June 13, 2012, and a subsidiary of the Company
Lens Intelligent Robot	Lens Intelligent Robot (Changsha) Company Limited* (藍思智能機器人(長沙)有限公司), a limited liability company incorporated under the laws of the PRC on July 22, 2016, and a subsidiary of the Company
Lens Technology (HK)	Lens Technology (HK) Co., Limited (藍思科技(香港)股份有限公司), a limited liability company established in Hong Kong on October 29, 2004, and one of our Controlling Shareholders
Listing Date	July 9, 2025, being the date on which the H shares of the Company became listed on the Hong Kong Stock Exchange
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
Mr. Cheng	Mr. Cheng Chun Lung (鄭俊龍), the vice chairman of the Board, an executive Director, one of our Controlling Shareholders and the spouse of Ms. Chau
Ms. Chau	Ms. Chau Kwan Fei (周群飛), the chairman of the Board, an executive Director, the general manager of our Company, one of our Controlling Shareholders and the spouse of Mr. Cheng
PET	Polyethylene terephthalate
Prospectus	the prospectus of the Company dated June 30, 2025, in relation to, among others, the global offering of the H shares of the Company and the listing on the Main Board of the Hong Kong Stock Exchange
Reporting Period	the six months ended June 30, 2025
RMB	Renminbi, the lawful currency of the PRC
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares

Definitions (Continued)

Item	Content
Shareholder(s)	holder(s) of the Share(s)
subsidiary(ies)	has the meaning ascribed thereto under the Hong Kong Listing Rules
Supervisor(s)	the supervisors of the Company
Supervisory Committee	the supervisory committee of the Company
UTG	Ultra-Thin Glass
%	per cent

* *For identification purpose only*

Corporate Information

REGISTERED NAME OF THE COMPANY

Full name in Chinese: 藍思科技股份有限公司
Full name in English: Lens Technology Co., Ltd.

LEGAL REPRESENTATIVE

Ms. Chau Kwan Fei

BOARD OF DIRECTORS

(1) Executive Directors

Ms. Chau Kwan Fei (*Chairman of the Board*)
Mr. Cheng Chun Lung
Mr. Rao Qiaobing

(2) Independent Non-executive Directors

Ms. Wan Wei
Mr. Liu Yue
Mr. Tian Hong
Mr. Xie Zhiming

BOARD COMMITTEES

(1) Audit Committee

Mr. Xie Zhiming (*Chairman*)
Ms. Wan Wei
Mr. Liu Yue

(2) Nomination Committee

Ms. Wan Wei (*Chairman*)
Mr. Liu Yue
Mr. Cheng Chun Lung

(3) Remuneration and Appraisal Committee

Mr. Xie Zhiming (*Chairman*)
Mr. Liu Yue
Mr. Cheng Chun Lung

(4) Strategy Committee

Ms. Chau Kwan Fei (*Chairman*)
Mr. Tian Hong
Ms. Wan Wei

JOINT COMPANY SECRETARIES

Mr. Jiang Nan
Ms. Yu Wing Sze (*an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*)

AUTHORISED REPRESENTATIVES

Ms. Chau Kwan Fei
Ms. Yu Wing Sze

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISER AS TO PRC LAW

Sundial Law Firm

11–12/F., Taiping Finance Tower
6001 Yitian Road
Futian District, Shenzhen
the PRC

LEGAL ADVISER AS TO HONG KONG LAW

DLA Piper Hong Kong

25th Floor, Three Exchange Square
8 Connaught Place
Central, Hong Kong

REGISTERED OFFICE AND HEAD OFFICE

Liuyang Biomedical Park
Liuyang
Hunan Province
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit A, 7/F, MG Tower
133 Hoi Bun Road, Kwun Tong
Kowloon
Hong Kong

PRINCIPAL BANKS

Bank of China Liuyang Economic and Technological
Development Zone Branch
The Export-Import Bank of China Hunan Branch

H SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong Investor Services Limited

Shop 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

COMPANY'S WEBSITE

www.hnlens.com

STOCK CODE

6613 (H Share)
300433 (A Share)

Management Discussion and Analysis

I. THE DEVELOPMENT OF THE INDUSTRY TO WHICH THE COMPANY BELONGS DURING THE REPORTING PERIOD

1. AI-empowered innovation in consumer electronics drove market demand growth

The global market for AI-enabled applications went through a continuous expansion. Under the dual impetus of “trade-in” subsidies and AI technology, the consumer electronics industry experienced a sustained recovery. According to Canalys, the penetration rate of AI smartphones is projected to rise from 34% in 2025 to 54% by 2028. International Data Corporation forecasts that China’s domestic shipments of AI glasses will exceed 2.75 million units by 2025, representing a year-on-year growth of 107%. The Company leveraged its vertical integration capabilities across “structural parts, functional modules, and complete device assembly” to comprehensively empower AI-enabled applications.

2. Innovations to smart cockpit interaction and China’s supply chain dominated industrial upgrades

The smart cockpit sector in the automotive industry ushered in a multi-modal interaction revolution. ASKCI Consulting Co., Ltd. (中商產業研究院) predicts that the market size of smart cockpits for passenger vehicles is expected to surpass RMB156.4 billion by 2025. Leading vehicle companies bridged various lifestyle scenarios through AIoT platforms to promote the integration of living, entertainment, and office functions into cockpits. As a leading provider of smart cockpit solutions, the Company deepened collaboration with vehicle companies and empowered industry upgrades through innovative derivative products such as ultra-thin laminated glass, AR-HUD waveguides, in-vehicle communication modules, and domain controllers. The Company applied lightweight technologies to reduce vehicle weight and energy consumption, enhanced product quality through high-precision processing, and promoted the adoption of new technologies and products to increase the added value of its products.

3. Humanoid technology iteration accelerated AI’s integration with the physical world

The continuous extension of the humanoid industry chain to industrial devices and applications marks the beginning of a new era of large-scale commercialization for the industry. According to GGII (高工機器人), the global humanoid market is projected to reach RMB6.339 billion by 2025 and exceed RMB400 billion by 2035. With the acceleration of the adoption of humanoid robots in interaction, medical assistance, security, logistics and other scenarios, the Company leveraged its comprehensive advantages such as one-stop precision manufacturing, vertical integration of the industrial chain, and proprietary application scenarios to collaborate with leading domestic and international humanoid customers in accelerating industrial expansion.

II. OPERATION OF THE GROUP

During the Reporting Period, the Company made encouraging progress in its main businesses and industry standing. The Company is a provider of one-stop precision manufacturing solutions spanning the entire industrial chain of next-generation smart devices. Its business covers structural parts, functional modules, and complete device assembly for products including smartphones and computers, smart vehicles and cockpits, intelligent head-mounted displays and smart wearables, as well as humanoid robots.

Management Discussion and Analysis (Continued)

In the first half of 2025, the Company continued to steadily advance its operations. Guided by its long-term development strategy, the main businesses achieved high-quality growth, with further improvements in operational efficiency and profitability. The successful listing on the Main Board of the Hong Kong Stock Exchange has raised capital to accelerate its global expansion and optimize its product portfolio, providing a crucial platform for the Company to strengthen its medium- to long-term strategic development. During the Reporting Period, the Company recorded a revenue of RMB32,960.16 million, with a year-on-year growth of 14.18%; net profit attributable to shareholders of the listed company reached RMB1,142.69 million, representing a year-on-year growth of 32.68%; excluding non-recurring gains and losses, net profit attributable to shareholders of the listed company was RMB940.08 million, with a year-on-year growth of 41.85%; basic earnings per share stood at RMB0.23, representing a year-on-year growth of 35.29%. The performance of major business segments are detailed as follows:

1. Smartphones and computers

During the Reporting Period, the business of smartphones and computers achieved operating revenue of RMB27,184.82 million, with a year-on-year growth of 13.19%. The Company continued to consolidate its leading position in markets for exterior parts, structural parts, and functional modules made with glass, ceramics, sapphire, and metal. We completed research and development ("R&D") and mass-production preparations for multiple annual flagship smartphones and cooperated with leading customers to mass-produce metal mid-frames for new premium models. Both market share and profitability grew rapidly compared to the previous year. Benefited from rebounding market demand, the PC business witnessed simultaneous improvements in production, sales, and profits in the first half of the year.

2. Smart vehicles and cockpits

During the Reporting Period, the business of smart vehicles and cockpits achieved operating revenue of RMB3,164.66 million, a year-on-year growth of 16.45%. Leveraging vertical integration capabilities across the whole industrial chain and a global production footprint, the Company continuously deepened technological expertise and market penetration for smart cockpit products. Core product lines, such as central control modules, smart B/C pillars, charging piles, cockpit trims, and wireless charging modules, achieved coordinated volume growth. Breakthroughs in communication modules and domain control units enabled batch deliveries. Ultra-thin laminated automotive glass, positioned as a strategic innovation pivot, was successfully introduced into mass-production systems for new models of leading domestic vehicle companies. Meanwhile, the Company deepened collaboration with global technology brands and traditional European/American vehicle companies, with batch production phases imminent. The Company has commenced the construction of automotive window glass production capacity according to customer demand through technological barriers and synergistic production advantages which is poised to become a sustained growth driver of the Company.

3. Intelligent head-mounted displays and smart wearables

During the Reporting Period, the business of intelligent head-mounted displays and smart wearables achieved operating revenue of RMB1,646.55 million, with a year-on-year growth of 14.74%. The Company possesses end-to-end solution capabilities spanning across optical lenses, structural parts, functional modules, and complete device assembly for smart wearables including intelligent head-mounted displays, AI glasses, and smartwatches. During the Reporting Period, breakthroughs were made in core processes such as yield optimization for optical waveguide lenses and high-precision automated assembly. Mass production and delivery of AI glasses for leading domestic customers were successfully realized. In the future, we will collaborate with more global wearable industry leaders to fully capitalize on the rapid growth of the industry.

4. Other smart devices

During the Reporting Period, the business of other smart devices achieved operating revenue of RMB363.61 million, a year-on-year growth of 128.2%. With the accelerated industrialization and scaled implementation of humanoid intelligence and by leveraging precision manufacturing and development capacities, the Company achieved substantial progress in partnerships with leading domestic and international humanoid intelligence enterprises and batch deliveries of core parts such as joint modules, dexterous hands, exoskeleton devices and complete device assembly, with scale effects gradually materializing. Revenue from smart retail product lines rose significantly year-on-year, forming a diversified growth engine by synergizing with smart home solutions and other businesses.

III. FINANCIAL REVIEW

Analysis of Profit or Loss

Revenue

During the Reporting Period, the Group recorded a total revenue of approximately RMB32,960.16 million, representing an increase of approximately 14.18% compared to RMB28,866.65 million for the same period in 2024, with steady growth maintained across all major businesses. Among them, the smartphones and computers business increased by RMB3,168.89 million, representing a year-on-year growth of 13.19%; the smart vehicles and cockpits business increased by RMB447.13 million, representing a year-on-year growth of 16.45%; the intelligent head-mounted displays and smart wearables business increased by RMB211.54 million, representing a year-on-year growth of 14.74%; and other smart devices business increased by RMB204.27 million, representing a year-on-year growth of 128.2%.

Gross profit and gross profit margin

During the Reporting Period, the gross profit of the Group was approximately RMB4,304.61 million, representing an increase of approximately 17.82% compared to RMB3,653.66 million for the same period in 2024, which was primarily due to the increase in gross profit from the smartphones and computers business as well as the intelligent head-mounted displays and smart wearables business.

During the Reporting Period, the gross profit margin of the Group was approximately 13.06%, representing only a minor fluctuation compared to 12.66% for the same period in 2024.

Other income

During the Reporting Period, other income of the Group was approximately RMB310.46 million, representing an increase of approximately 10.13% compared to RMB281.91 million for the same period in 2024, which was primarily due to an increase in government grants.

Selling expenses

During the Reporting Period, the selling expenses of the Group were approximately RMB281.77 million, representing a decrease of approximately 10.91% compared to RMB316.29 million for the same period in 2024, which was primarily due to the decrease in intermediary service fees, samples and packaging fees and sorting costs.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group were approximately RMB1,568.07 million, representing an increase of approximately 5.31% compared to RMB1,489.01 million for the same period in 2024, which was primarily due to the increase in staff salaries, professional service fees.

Research and development expenses

During the Reporting Period, the research and development expenses of the Group was approximately RMB1,643.86 million, representing an increase of approximately 29.15% compared to RMB1,272.82 million for the same period in 2024, which was primarily due to increased research and development investments in new projects, new products and emerging areas.

Management Discussion and Analysis (Continued)

Finance costs

During the Reporting Period, the finance costs of the Group was approximately RMB155.86 million, representing a decrease of approximately 21.50% compared to RMB198.55 million for the same period in 2024, which was primarily due to the repayment of a portion of bank loans, including long-term and short-term loans.

Other gains and losses, net

During the Reporting Period, the other gains and losses, net of the Group were approximately RMB255.14 million, representing an increase of approximately 96.90% compared to RMB129.58 million for the same period in 2024, which was primarily due to the increase in net foreign exchange gains as a result of the exchange of US dollars into RMB.

Reversal of impairment losses under expected credit loss (“ECL”) model, net

During the Reporting Period, the reversal of impairment losses under ECL model of the Group was approximately RMB25.34 million, representing an increase of approximately 1,483.75% compared to RMB1.60 million for the same period in 2024, which was primarily due to the increase in the amount of remittance compared to the same period last year.

Income tax expense

During the Reporting Period, the income tax expense of the Group was approximately RMB51.37 million, while the income tax income for the same period in 2024 was RMB93.56 million, which was primarily due to the increase in profits before tax.

Cash Flow Analysis

Net cash from operating activities

During the Reporting Period, the net cash from operating activities of the Group was approximately RMB4,325.28 million, representing an increase of approximately 28.43% from RMB3,367.72 million for the same period in 2024, which was primarily due to the increases in revenue and the collection of accounts receivable at the beginning of the period.

Net cash used in investing activities

During the Reporting Period, the net cash used in investing activities of the Group was approximately RMB5,020.38 million, representing an increase of approximately 109.28% from RMB2,398.91 million for the same period in 2024, which was primarily due to the increase in payments for the acquisition of property, plant and equipment and purchases of structured deposits.

Net cash used in financing activities

During the Reporting Period, the net cash used in financing activities of the Group was approximately RMB4,205.50 million, representing an increase of approximately 19.62% from RMB3,515.57 million for the same period in 2024, which was primarily due to the absence of new borrowings raised during the period.

Sources of liquidity and working capital

During the Reporting Period, the Group's primary sources of liquidity included cash generated from operating activities and bank borrowings. The Group's cash and cash equivalents mainly comprise of bank balances. We may require additional cash due to evolving business conditions or other future developments.

The Group regularly monitors its cash flows, cash balances, and capital requirements. The Company is committed to maintaining optimal liquidity to meet the Group's working capital needs. The Group's current assets decreased from RMB30,772.78 million as at December 31, 2024 to RMB24,677.82 million as at June 30, 2025, primarily due to a reduction in bank balances, cash, trade receivables, and bill receivables. The Group's current ratio, calculated as current assets divided by current liabilities at the end of each financial period, declined from approximately 1.33 as at December 31, 2024 to approximately 1.11 as at June 30, 2025.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maximize its return to shareholders through the optimization of its debt and equity balance. The Group's overall strategy remained unchanged during the Reporting Period.

The Group's capital structure consists of net debt, which includes borrowings and lease liabilities, net of bank balances and cash and total equity, mainly comprising issued share capital, share premium and retained profits, other reserves and non-controlling interests. As at June 30, 2025 and December 31, 2024, the Group's gearing ratio (being net debts divided by total equity) was 13.23% and 7.35%.

The Group's management reviews its capital structure on a regular basis. As part of this review, they consider the cost of capital and risks associated with the capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

Liquidity and capital resources

During the Reporting Period, the Group had cash generated from operating activities of RMB4,325.28 million, compared to RMB3,367.72 million in the same period of last year.

As of June 30, 2025, the Group had cash and bank deposits of RMB6,662.00 million, which included time deposits and certificates of deposit of RMB432.52 million, restricted cash of RMB52.79 million and cash and cash equivalents of RMB6,176.69 million, representing a decrease of 41.63% as compared to RMB11,414.19 million as of December 31, 2024.

As of June 30, 2025, the Group had interest-bearing bank loans and other borrowings of RMB12,318.87 million, which included long-term borrowings of RMB5,706.97 million and short-term borrowings of RMB6,611.90 million, representing a decrease of 14.01% as compared to RMB14,326.57 million as of December 31, 2024, primarily due to the repayment of bank loans during the Reporting Period. All borrowings were denominated in Renminbi, of which borrowings with fixed interest rates amounted to RMB2,726.14 million. The Group did not implement any interest rate hedging policy.

As at June 30, 2025 and December 31, 2024, no assets had been pledged by the Group to secure long-term borrowings.

As of June 30, 2025, 95.69% (December 31, 2024: 96.55%) of the Group's cash and cash equivalents were denominated in US dollars or Renminbi.

Foreign exchange risk management

The Group's reporting currency is RMB. The functional currency of the majority of the Company's subsidiaries is RMB. Some of the Group's sales, purchases, trade receivables, trade payables and bank balances are recorded or denominated in foreign currencies. Consequently, foreign currency exchange rates have a significant impact on the Group's consolidated financial information.

Foreign currency transactions are translated into the functional currency using the exchange rates at the end of the previous month. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. During the Reporting Period, the Company recorded net foreign exchange gains of RMB167.97 million.

Management Discussion and Analysis (Continued)

The Group manages its foreign exchange exposure by closely monitoring fluctuations in foreign currency exchange rates. The Group will continue to assess economic conditions and foreign exchange risks, and will implement hedging measures (including but not limited to derivative instruments such as forwards, options, and swap contracts) when necessary to mitigate such risks.

Employment, training and development

As at June 30, 2025, the Group employed approximately 151,000 staff members. During the Reporting Period, the aggregate remuneration for the staff of the Group amounted to RMB6,240.65 million. The Group provides its employees with certain benefits including social insurance coverage and retirement benefits. The Group enters into individual employment contracts with its employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. The employees' compensation is determined with reference to their job positions, technical skills, job performance and competition.

The Group has various employee training programs that aim to enhance its employees' technical skills and innovation capability. The Group's employee training system is centred around three pillars, namely the operational system, class system and instructor system of the Group. The operational system of the Group governs the design and implementation of its training policies; the class system of the Group decides the Group's training content, and the instructor system of the Group makes sure that the Group has the right instructors who can properly train and inspire the Group's employees.

Contingent liabilities

As at June 30, 2025, there were no significant contingent liabilities, guarantees or any pending or threatened material litigation or claim against any member of the Group.

Capital expenditure

The Group's capital expenditure was primarily related to purchase of property, plant and equipment used in our production and payments for leasehold land. During the Reporting Period, the Group's capital expenditure amounted to approximately RMB4,297.12 million (for the six months ended June 30, 2024: approximately RMB2,936.65 million).

Capital commitments

The Group's capital commitments includes capital commitments contracted for property, plant and equipment but not provided for in the Interim Financial Information. As at June 30, 2025, the Group recorded total capital commitments of approximately RMB2,640.37 million, as compared to approximately RMB2,217.42 million as at December 31, 2024.

Non-IFRS measure

To supplement our Interim Financial Information that are presented in accordance with IFRS, the Group also uses adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. Directors believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. Directors believe that these measures provide useful information to investors and others in understanding and evaluating the Group's Interim Financial Information in the same manner as they help our management. However, the Group's presentation of adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and they should not be considered in isolation from, or as substitute for analysis of, the Group's Interim Financial Information or financial condition as reported under IFRS. The Group defines adjusted profit for the period (a non-IFRS measure) as profit/(loss) for the period adjusted for share-based compensations (a non-cash item). The Group defines adjusted net margin (a non-IFRS measure) as adjusted profit for the period (a non-IFRS measure) as a percentage of our total revenue.

Management Discussion and Analysis (Continued)

	January to June 2025 RMB'000	January to June 2024 RMB'000
Profit for the period	1,194,275	880,945
Add:		
Share-based compensation	29,967	94,412
Adjusted profit for the period (a non-IFRS measure)	1,224,242	975,357
Adjusted net margin (a non-IFRS measure)	3.7%	3.4%

In January to June 2025, the Group recorded an adjusted profit for the period (a non-IFRS measure) of RMB1,224.2 million and an adjusted net margin (a non-IFRS measure) of 3.7%, as compared with an adjusted profit for the period (a non-IFRS measure) of RMB975.4 million and an adjusted net margin (a non-IFRS measure) of 3.4% in January to June 2024, primarily due to profit growth in the Group's smartphones and computers and intelligent head-mounted displays and smart wearables related products.

IV. PROSPECT AND OUTLOOK

The Company will seize the historic opportunity of AI-driven smart device upgrades to deeply empower the hardware ecosystem of the on-device models through precision manufacturing and material innovation:

1. Smartphones segment: Leveraging its profound technical expertise and scalable mass production capabilities in ultra-thin glass (UTG) for foldable screens, the Company has innovatively introduced a multi-layer structural design for foldable screens. This design merges PET film, UTG, flexible display modules, glass support plates, and metal frames from top to bottom, effectively reducing fold marks and improving screen flatness. This advancement sets a new direction for the evolution of foldable screen technology. Additionally, the demand for new 3D glasses has rapidly increased this year, with sustained high growth expected over the next few years. Due to the complexity of 3D structure processing, the value of a single piece has significantly increased. The 3D glass market is projected to enter a phase of both volume and price growth. In the future, the Company is expected to benefit continuously from the incremental value brought by this wave of 3D glass technological innovations.
2. Smart cockpits segment: The Company has established partnerships with more than 30 leading domestic and international vehicle companies, including major North American customers, with operations covering multiple leading intelligent driving platforms. We continue to expand our automotive business boundaries and have achieved new breakthroughs in automotive communication modules and domain controllers. Utilizing our technical strengths in glass thinning, chemical strengthening, multi-layer coating, and high-precision processing, the Company offers significant advantages in weight reduction, extended battery life, and multifunctionality for automotive glass. Its ultra-thin laminated automotive glass are light weight, and feature sound insulation, heat insulation, UV protection, waterproofing, stain resistance, HUD projection, and light-shading capabilities, the glass is widely applied to side windows, front/rear windshields, and sunroofs, and is expected to generate substantial incremental revenue for the Company's automotive business.

Management Discussion and Analysis (Continued)

3. Smart wearables segment: As a key complete device assembly partner of a well-known domestic customer, the Company spans its operation to the full production chain from optical lenses and functional modules to complete device assembly and applies self-developed core technologies such as nano-crystalline glass to significantly enhance product performance and lightweight characteristics. With the gradual introduction and capacity expansion of optical modules and waveguide lenses in the future, the Company is expected to effectively address industry bottlenecks. As a core manufacturing platform in the industry, we have established long-term collaborations with many leading customers in the smart wearable segment. Going forward, the Company will leverage its strong vertical integration capabilities to ensure stable customer order fulfillment, thereby driving continuous growth in its smart wearables business.
4. Other smart devices: The Company, in collaboration with its customers, has established a Humanoid Intelligence Innovation Center positioned as a research hub. The center focuses on core R&D in key areas such as data acquisition and secondary development, joint motors, and iterative motion control algorithms, provides in-depth modular customization and complete device customization for independent units, including core modules, high-degree-of-freedom dexterous hands, exoskeleton devices, next-generation joint motors, and lightweight structural components. By integrating production capacity, the center has the capability to deliver to multiple customers at scale, aiming to build China's largest core manufacturing platform for vertically integrated humanoid intelligence hardware, and promote the standardized and large-scale development of the industry. In addition, the Company will constantly explore the smart retail payment market and expand scenario penetration leveraging its high-value product portfolios, so as to strengthen the contribution of diversified growth.

Looking ahead, the Company will continue to deepen its global production capacity layout, and accelerate overseas base construction via its listing in Hong Kong. We will reinforce vertical integration advantages in materials, modules, and complete devices to enrich our high-value product portfolios. The Company will advance intelligent manufacturing system upgrades, and optimize production efficiency and green manufacturing standards. R&D efforts will focus on cutting-edge fields such as full-color optical waveguides, lightweight new metal materials, and core technologies for intelligent devices. We will also integrate high-value segments of the industrial chain to create cross-domain growth engines, fully capitalizing on the AI-driven upgrade opportunities in intelligent devices.

Save as disclosed in the Prospectus and above, as of the date of this report, the Company did not have other substantial future plans for material investments and capital assets.

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

During the Reporting Period, the Company had no significant investments and/or material acquisitions or disposals of subsidiaries, associates and joint ventures. None of each individual investment held by the Group constituted 5% or above of the total assets of the Group as at June 30, 2025.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in Note 27 to the condensed consolidated financial statements in this report, there have been no significant events affecting the Group from the end of the Reporting Period to the date of this report.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The 262,256,800 H Shares (before any exercise of the over-allotment option) issued by the Company were successfully listed on the Main Board of the Hong Kong Stock Exchange on July 9, 2025. In addition, the over-allotment option described in the Prospectus has been fully exercised by the overall coordinators (for themselves and on behalf of the international underwriters) on August 3, 2025 in respect of an aggregate of 39,338,400 H Shares, representing approximately 15.0% of the total number of offer shares initially available under the global offering (before any exercise of the over-allotment option). After deducting the underwriting commissions, listing expenses and other charges, the net proceeds received by the Company from the global offering amounted to approximately HK\$5,404.52 million (equivalent to approximately RMB4,924.27 million), which will be used for the purposes set out in the Prospectus.

Since the H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on July 9, 2025, details of the utilization of net proceeds from the global offering were not available during the Reporting Period. As of the date of this report, there has been no change to the intended use of the net proceeds as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Should the net proceeds not be immediately utilized for their intended purposes, the Company will deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable laws and regulations in other jurisdictions).

As of the date of this report, the proposed use of the net proceeds remains consistent with that previously disclosed in the Prospectus.

Other Information

SHARE CAPITAL

As at June 30, 2025, the total issued share capital of the Company was RMB4,982,772,171, comprising 4,982,772,171 A Shares of nominal value RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES OF THE COMPANY

As at June 30, 2025, the following persons and entities (other than the Directors, supervisors and chief executives of the Company) had interests or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register kept by the Company under Section 336 of the SFO:

Name of the substantial shareholder	Nature of interest	Type of shares	Number of shares directly or indirectly held	Approximate percentage of interest in the total issued share capital of the Company as of the end of the Reporting Period ⁽¹⁾
Lens Technology (HK)	Beneficial owner ⁽²⁾	A Shares	2,804,509,821	56.28%
Changsha Qunxin	Beneficial owner ⁽³⁾	A Shares	288,025,612	5.78%

Notes:

- (1) The calculation is based on the total number of 4,982,772,171 shares in issue as of the end of the Reporting Period.
- (2) As of the end of the Reporting Period, Lens Technology (HK) held 2,804,509,821 A Shares. Lens Technology (HK) is directly wholly owned by Ms. Chau. As such, Ms. Chau is deemed to be interested in the A Shares held by Lens Technology (HK) by virtue of the SFO.
- (3) As of the end of the Reporting Period, Changsha Qunxin held 288,025,612 A Shares. Changsha Qunxin is a limited liability company established in the PRC, which is owned as to 97.9% by Ms. Chau and 2.1% by Mr. Cheng. As such, Ms. Chau is deemed to be interested in the A Shares held by Changsha Qunxin by virtue of the SFO.

Other Information (Continued)

As at June 30, 2025, the following persons or entities were, directly or indirectly, interested in 10% or more of the issued voting shares of other members of the Group which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Member of the Group	Name of substantial Shareholder	Approximate % of shareholding
Lens Intelligent Robot	Mr. Qiu Huisheng	20.00%
Lens Intelligent Robot	Mr. Gou Hua	15.00%
Lens Hualian	Hunan Hualian Ceramics Co., Ltd.* (湖南華聯瓷業股份有限公司)	49.00%
Changsha Yong'an New Material Company Limited* (長沙永安新材料有限公司)	Shenzhen Yong'an Fine Chemical Engineering Company Limited* (深圳市永安精細化工有限公司)	49.00%

Save as disclosed above, as at June 30, 2025, the Directors were not aware of any other person (other than the Directors, supervisors and chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be required to be entered in the register kept by the Company under Section 336 of the SFO, or, were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

* For identification purpose only

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(i) Interests in the shares of the Company

As at June 30, 2025, the interests and/or short positions (as applicable) of each of the following Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they were taken or deemed to have under such provisions of the SFO), (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) were required, pursuant to the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

Name of Director or supervisor	Nature of interest	Type of shares	Number of shares held or interested	Approximate % of interests in the total share capital in issue of the Company as of the end of the Reporting Period ⁽¹⁾
Ms. Chau	Interest in controlled corporation ⁽¹⁾⁽²⁾⁽³⁾	A Shares	3,116,352,600	62.54%
	Interest of spouse ⁽⁴⁾	A Shares	3,347,879	0.067%
Mr. Cheng	Beneficial owner	A Shares	3,347,879	0.067%
	Interest of spouse ⁽⁴⁾	A Shares	3,116,352,600	62.54%
Mr. Rao Qiaobing	Beneficial owner	A Shares	2,793,741	0.056%
Mr. Tang Jun	Beneficial owner	A Shares	256,279	0.005%
Mr. Chen Xiaoqun	Beneficial owner	A Shares	358,239	0.007%
Ms. Zhou Xinyi	Beneficial owner	A Shares	1,446,225	0.029%
	Interest of spouse ⁽⁵⁾	A Shares	125,083	0.003%

Notes:

- (1) As of the end of the Reporting Period, Lens Technology (HK) held 2,804,509,821 A Shares. Lens Technology (HK) is directly wholly owned by Ms. Chau. As such, Ms. Chau is deemed to be interested in the A Shares held by Lens Technology (HK) by virtue of the SFO.
- (2) As of the end of the Reporting Period, Changsha Qunxin held 288,025,612 A Shares. Changsha Qunxin is a limited liability company established in the PRC, which is owned as to 97.9% by Ms. Chau and 2.1% by Mr. Cheng. As such, Ms. Chau is deemed to be interested in the A Shares held by Changsha Qunxin by virtue of the SFO.
- (3) As of the end of the Reporting Period, there were 23,817,167 A Shares repurchased and held in our Company's stock repurchase account as treasury shares. Ms. Chau, directly and indirectly through Lens Technology (HK) and Changsha Qunxin, controls more than one-third of the voting power at the general meetings of the Company and would be taken to have an interest in such repurchased A Shares held by our Company by virtue of the SFO.

- (4) Ms. Chau is the spouse of Mr. Cheng. Therefore, each of Ms. Chau and Mr. Cheng is deemed to be interested in the Shares held by each other by virtue of the SFO.
- (5) As of the end of the Reporting Period, the spouse of Ms. Zhou Xinyi held 125,083 A Shares. Therefore, Ms. Zhou Xinyi is deemed to be interested in the A Shares held by her spouse by virtue of the SFO.

(ii) Interests in associated corporations

Name of Director	Nature of interest	Name of associated corporation	Number of shares	Approximate % of shareholding
Ms. Chau	Interest in controlled corporation ⁽¹⁾	Lens Technology (HK)	100	100.00%
Mr. Cheng	Interest of spouse ⁽²⁾	Lens Technology (HK)	100	100.00%

Notes:

- (1) Lens Technology (HK), one of the controlling shareholders of the Company, is a company incorporated in Hong Kong with limited liability. As of June 30, 2025, Lens Technology (HK) is directly wholly owned by Ms. Chau.
- (2) Ms. Chau is the spouse of Mr. Cheng. Therefore, Mr. Cheng is deemed to be interested in all the shares that Ms. Chau is interested in by virtue of the SFO.

Save as disclosed above, as at June 30, 2025, none of the Directors, supervisors or chief executives of the Company had, or was deemed to have, any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register kept by the Company under Section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

(I) Repurchase of Shares through Centralized Competitive Bidding

On April 7, 2025, the Company held the fourth meeting of the fifth session of the Board, deliberating and approving the Proposal on the Share Repurchase Plan of the Company. It is agreed that the Company may use its own funds or self-raised funds to repurchase a portion of RMB ordinary shares (A shares) issued by the Company through centralized competitive bidding, with the purpose of implementing the employee stock ownership plans or equity incentive schemes. The repurchase amount shall be no less than RMB500 million (inclusive) and no more than RMB1 billion (inclusive). The upper limit of the repurchased shares is RMB34.60 per share (upon adjustment according to the implementation of the Company's annual equity distribution in 2024). The repurchase period is 12 months from the date when the Board approved this share repurchase plan.

As of the date of this report, the Company repurchased 1,486,995 A shares through centralized competitive bidding via the exclusive account for securities repurchase, which accounted for 0.03% of the total share capital of the Company's A shares. The total payment amounted to RMB42,168,468.55 (exclusive of transaction fees). The repurchase was carried out in compliance with relevant laws and regulations and the existing repurchase plans of the Company.

Other Information (Continued)

(II) Repurchase and Cancellation of Restricted Shares

On March 27, 2025, the Company held the third meeting of the fifth session of the Board and the third meeting of the fifth session of the board of supervisors, deliberating and approving the Proposal on Repurchase and Cancellation of a Portion of Granted but Unlocked Restricted Shares. It is agreed that the Company may repurchase and cancel a total of 107,100 A shares of unlocked Type I restricted shares previously granted to 45 incentive recipients disqualified from incentives at the price of RMB6.04 per share on April 17, 2025 in accordance with the provisions in the Administrative Measures for Equity Incentives of Listed Companies, the Self-regulatory Guidelines for Listed Companies on the ChiNext Board of the Shenzhen Stock Exchange No. 1 — Business Processing and the Draft on Incentive Plans of Restricted Shares of Lens Technology Co., Ltd. in 2023, as well as the resolution of the 26th meeting of the fourth session of the Board on the adjustment of the repurchase price of Type I restricted shares.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the Reporting Period.

CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes in Directors, Supervisors and Senior Management during the Reporting Period

Name	Position	Type	Date	Reason
Yang Songbai	Independent Director	Resigned due to expiration of term of office	January 20, 2025	Re-election
Peng Diefeng	Independent Director	Resigned due to expiration of term of office	January 20, 2025	Re-election
Kuang Hongfeng	Chairman of the supervisory committee	Resigned due to expiration of term of office	January 20, 2025	Re-election
Chen Xiaoqun	Original position: deputy general manager, position after change: supervisor	Appointed and removed	January 21, 2025	Work adjustment
Tian Hong	Independent Director	Elected	January 21, 2025	Re-election
Xie Zhiming	Independent Director	Elected	January 21, 2025	Re-election

Save as disclosed above, there were no changes in the Directors, supervisors and senior management of the Group during the Reporting Period.

Changes in Directors, Supervisors and Senior Management after the Reporting Period and up to the Date of this Report

On September 16, 2025, the Company convened the third extraordinary general meeting in 2025, which reviewed and approved the Resolution on the Amendments to the Articles of Association. Thereafter, the Company shall no longer have the supervisory committee, and each supervisor resigned as a supervisor with effect from September 16, 2025. For details, please refer to the Company's announcement dated August 25, 2025 and the circular dated August 26, 2025.

MATERIAL LITIGATION AND ARBITRATION

So far as the Directors are aware, the Group was not involved in any material litigation, arbitration or claim, and no litigation or claim of material importance was pending or threatened against the Group during the Reporting Period.

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Board is responsible for the implementation of corporate governance, including: (i) formulating, developing and reviewing the corporate governance policies and practices of the Company; (ii) reviewing and supervising the training and continuous professional development of the Directors and senior management; (iii) reviewing and supervising the policies and practices for the compliance with laws and regulatory requirements by the Company; (iv) developing, reviewing and supervising the code of conduct and compliance-related regulations, for employees and the Directors; and (v) reviewing the compliance of the Corporate Governance Code by the Company and the disclosure in the corporate governance report. The Board believes that an effective corporate governance system can safeguard the interests of Shareholders and promote the corporate value and accountability.

The Company has adopted all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules as its code of corporate governance.

As the H shares of the Company were not listed on the Hong Kong Stock Exchange during the Reporting Period, the Corporate Governance Code was not applicable to the Company during that period, but has become applicable to the Company since the Listing Date. Since the Listing Date to the date of this report, the Company has complied with all applicable code provisions of Part 2 of the Corporate Governance Code except for the deviations as explained below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual. Ms. Chau Kwan Fei, an executive Director, serves concurrently as the chairman of the Board and the general manager of the Company. While this arrangement deviates from code provision C.2.1 of the Corporate Governance Code, the Board believes it beneficial to the business prospects and operational efficiency of the Company that Ms. Chau, in addition to acting as the chairman of the Board, continues to act as the general manager of the Company. Therefore, the Board considers that a deviation from code provision C.2.1 of the Corporate Governance Code is appropriate under the circumstances. Furthermore, the Board comprises three executive Directors and four independent non-executive Directors, reflecting a significant degree of independence. Under the Board's oversight, its structure is well-balanced, with appropriate checks and balances in place to safeguard the interests of the Company and its Shareholders. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman of the Board and the general manager is necessary.

Pursuant to code provision D.1.2 of the Corporate Governance Code, the management of the Company is required to provide all members of the Board with monthly updates on the Company's business. The management of the Company currently reports to the Board on the Company's performance, position and prospects quarterly. The Board believes that with the executive Directors overseeing the daily operations of the Company and the effective communication between the executive Directors, the management and the non-executive Directors (including the independent non-executive Directors) on the Group's affairs, the current practice is sufficient for the members of the Board to discharge their duties. However, this constitutes a deviation from code provision D.1.2 of the Corporate Governance Code. The Board will continue to review this practice and shall make necessary changes when appropriate and report to the Shareholders accordingly.

The Board will continue to review and improve its corporate governance system in the future to ensure compliance with the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as its code of conduct for securities transactions by the Directors and supervisors. As the H Shares of the Company were not listed on the Hong Kong Stock Exchange during the Reporting Period, the relevant rules under the Model Code are not applicable to the Directors and supervisors during the Reporting Period. Having made specific enquiries to all Directors and supervisors, each Director and supervisor has confirmed that he/she has complied with the required standards as set out in the Model Code during the period from the Listing Date and up to the date of this report.

2025 INTERIM DIVIDEND

(I) Distributable Profits

For the first half of 2025, the Company recorded a net profit attributable to shareholders of the listed company of RMB1,142,689,297.22, while the parent company realized a net profit of RMB730,674,401.38. Pursuant to the relevant provisions of the Articles of Association of Lens Technology Co., Ltd., as the aggregate amount of the Company's statutory surplus reserve fund had reached 50% of its registered capital, the parent company did not make an appropriation to its statutory surplus reserve fund during the current period. Adding the undistributed profit at the beginning of the year of RMB15,717,068,592.51 and deducting the 2024 cash dividend (i.e., profit already distributed in the first half of the year) of RMB1,983,582,001.60, the actual distributable profit available to shareholders as of June 30, 2025 amounted to RMB14,464,160,992.29.

(II) Profit Distribution Plan

The Company proposed to distribute interim profits for 2025 based on the total share capital registered on the record date of the profit distribution, excluding shares held in the specialized repurchase account. A cash dividend (the **"2025 Interim Dividend"**) of RMB1.00 (tax inclusive) for every 10 shares will be paid to all shareholders (including A-share and H-share holders of the Company). No bonus shares will be issued, and no share capital will be increased by conversion of the capital reserve. Based on the shareholding structure as at August 25, 2025, the total number of shares entitled to distribution is expected to be 5,260,227,604 shares, representing a total cash dividend of RMB526,022,760.40, which accounts for 46.03% of the unaudited net profit of the Company for the first half of 2025. (As the Company is still in the process of implementing its share repurchase plan, the total share capital for profit distribution is subject to change, and the final total distribution amount shall be determined based on the actual implementation results.)

If, during the period from the disclosure to the implementation of this profit distribution plan, changes occur in the Company's total share capital or the share base for this distribution due to share repurchases or other reasons, the total distribution amount will be adjusted accordingly, while the distribution ratio will remain unchanged.

The 2025 Interim Dividend will be declared and denominated in RMB. Payment will be made in RMB to holders of A shares of the Company and in HKD to holders of H Shares of the Company. The actual HKD amount payable is calculated based on the average benchmark exchange rate for RMB to HKD (i.e. RMB0.91274 to HK\$1.00) published by the People's Bank of China over the five working days preceding the date of the Board meeting at which the resolution was passed. That is, the interim dividend for every 10 H Shares is HK\$1.0956 (tax inclusive).

Reference is made to the Company's announcement dated April 19, 2025, in relation to, among other matters, the resolution passed at the 2024 Annual General Meeting authorizing the Board of Directors to determine the 2025 interim profit distribution plan. Pursuant to the authorisation granted by the 2024 annual general meeting of the Company, such profit distribution proposal is not subject to consideration and approval at the general meeting of the Company. The Company will implement this profit distribution plan within two months after obtaining the approval at the Board meeting. The cash dividend is expected to be paid to shareholders on or before Friday, October 24, 2025.

For the closure of register of members of H Shares for the 2025 Interim Dividend distribution and the relevant tax relief, please refer to the Company's announcement dated August 25, 2025.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in accordance with the provisions of the Corporate Governance Code. The Audit Committee has reviewed the unaudited interim financial report of the Group for the six months ended June 30, 2025.

Report on Review of Condensed Consolidated Financial Statements



TO THE BOARD OF DIRECTORS OF LENS TECHNOLOGY CO., LTD.

藍思科技股份有限公司

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

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Lens Technology Co., Ltd. 藍思科技股份有限公司 (the “**Company**”) and its subsidiaries set out on pages 26 to 56, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related 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 months 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**”) issued by the 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” (“**HKSRE 2410**”) 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.

OTHER MATTER

The comparative 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 months ended 30 June 2024 and the relevant notes to the condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 August 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	5		
Contracts with customers		32,889,797	28,790,794
Leases		70,361	75,855
Total revenue		32,960,158	28,866,649
Cost of sales		(28,655,548)	(25,212,994)
Gross profit		4,304,610	3,653,655
Other income	6	310,463	281,910
Reversal of impairment losses under expected credit loss ("ECL") model, net	7	25,339	1,602
Other gains and losses, net	8	255,142	129,584
Selling expenses		(281,774)	(316,294)
Administrative expenses		(1,568,066)	(1,489,006)
Research and development expenses		(1,643,856)	(1,272,818)
Other expenses		(113)	(400)
Share of results of investments accounted for using the equity method		4,845	(2,294)
Listing expenses		(5,079)	—
Finance costs	9	(155,863)	(198,550)
Profit before tax		1,245,648	787,389
Income tax (expense) credit	10	(51,373)	93,556
Profit for the period	11	1,194,275	880,945
Other comprehensive (expense) income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(39,537)	(105,489)
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value gain on investments in equity instruments measured at fair value through other comprehensive income ("FVTOCI")		10,280	25,498
Total comprehensive income for the period		1,165,018	800,954

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Profit for the period attributable to:			
— Owners of the Company		1,142,689	861,262
— Non-controlling interests		51,586	19,683
		1,194,275	880,945
Total comprehensive income for the period attributable to:			
— Owners of the Company		1,113,351	781,271
— Non-controlling interests		51,667	19,683
		1,165,018	800,954
Earnings per share	13		
— Basic (RMB)		0.23	0.17
— Diluted (RMB)		0.23	0.17

Condensed Consolidated Statement of Financial Position

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	14	40,209,467	37,809,136
Right-of-use assets	14	3,410,086	3,441,157
Investment properties		875,778	900,777
Intangible assets	14	1,720,724	1,822,041
Goodwill		2,970,144	2,970,144
Investments accounted for using the equity method		335,768	325,665
Equity instruments at FVTOCI		492,000	445,109
Financial assets at fair value through profit or loss ("FVTPL")	16	138,443	—
Time deposits		102,373	103,697
Deferred tax assets	15	1,376,021	1,387,226
Prepayments and other receivables	19	944,928	1,038,314
		52,575,732	50,243,266
Current assets			
Inventories	17	6,785,174	7,160,553
Trade and bills receivables	18	8,754,981	10,865,736
Bills receivables at FVTOCI		94,771	9,779
Prepayments and other receivables	19	1,261,074	1,000,455
Amounts due from related parties	26	163	24,873
Financial assets at FVTPL	16	1,104,235	354,917
Income tax recoverable		117,802	45,976
Time deposits		330,147	322,412
Restricted bank deposits		52,787	51,276
Bank balances and cash		6,176,689	10,936,804
		24,677,823	30,772,781
Current liabilities			
Trade and other payables	20	15,578,880	16,365,834
Financial liabilities at FVTPL	16	37,161	9,620
Amounts due to related parties	26	66	26
Income tax payable		15,821	110,787
Borrowings	21	6,611,899	6,518,634
Lease liabilities		51,475	47,659
Contract liabilities		10,152	12,601
		22,305,454	23,065,161
Net current assets		2,372,369	7,707,620
Total assets less current liabilities		54,948,101	57,950,886

Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Non-current liabilities			
Borrowings	21	5,706,972	7,807,931
Lease liabilities		155,325	151,529
Provision		5,000	18,880
Deferred tax liabilities	15	374,136	385,058
Deferred income		710,831	741,578
		6,952,264	9,104,976
Net assets		47,995,837	48,845,910
Capital and reserves			
Share capital	22	4,982,772	4,982,879
Reserves		42,799,296	43,673,762
Equity attributable to owners of the Company		47,782,068	48,656,641
Non-controlling interests		213,769	189,269
Total equity		47,995,837	48,845,910

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Share premium	Treasury share	Capital reserve	FVTOCI reserve	Translation reserve	Statutory reserve	Retained profits	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	4,982,879	20,613,513	(280,019)	305,131	160,083	18,837	2,620,270	20,235,947	48,656,641	189,269	48,845,910
Profit for the period	—	—	—	—	—	—	—	1,142,689	1,142,689	51,586	1,194,275
Other comprehensive income (expense) for the period	—	—	—	—	10,280	(39,618)	—	—	(29,338)	81	(29,257)
Total comprehensive income (expense) for the period	—	—	—	—	10,280	(39,618)	—	1,142,689	1,113,351	51,667	1,165,018
Distribution	—	—	—	—	—	—	—	(1,983,582)	(1,983,582)	(27,167)	(2,010,749)
Recognition of equity-settled share-based payments	—	—	—	(3,695)	—	—	—	—	(3,695)	—	(3,695)
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(107)	(540)	—	—	—	—	—	—	(647)	—	(647)
At 30 June 2025 (unaudited)	4,982,772	20,612,973	(280,019)	301,436	170,363	(20,781)	2,620,270	19,395,054	47,782,068	213,769	47,995,837
At 1 January 2024 (audited)	4,983,228	20,588,504	(500,057)	219,367	160,083	152,927	2,404,249	18,330,684	46,338,985	182,642	46,521,627
Profit for the period	—	—	—	—	—	—	—	861,262	861,262	19,683	880,945
Other comprehensive income (expense) for the period	—	—	—	—	25,498	(105,489)	—	—	(79,991)	—	(79,991)
Total comprehensive income (expense) for the period	—	—	—	—	25,498	(105,489)	—	861,262	781,271	19,683	800,954
Distribution	—	—	—	—	—	—	—	(1,482,163)	(1,482,163)	(46,858)	(1,529,021)
Recognition of equity-settled share-based payments	—	—	—	114,507	—	—	—	—	114,507	—	114,507
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(158)	(845)	—	—	—	—	—	—	(1,003)	—	(1,003)
At 30 June 2024 (unaudited)	4,983,070	20,587,659	(500,057)	333,874	185,581	47,438	2,404,249	17,709,783	45,751,597	155,467	45,907,064

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES	4,325,276	3,367,718
INVESTING ACTIVITIES		
Proceeds from disposal of financial assets/derivatives at FVTPL	2,209,880	551,863
Repayment from related parties	24,979	1,915
Advance to related parties	—	(643)
Upfront payments for leasehold land	(637)	(117,582)
Purchase of property, plant and equipment	(4,296,481)	(2,819,069)
Proceeds from disposal of property, plant and equipment	69,134	10,453
Purchase of intangible assets	(4,696)	(3,262)
Purchase of financial assets/derivatives at FVTPL	(2,995,443)	(74,528)
Acquisition of equity instruments at FVTOCI	(34,797)	—
Dividends received from associates	7,683	51,946
Net cash used in investing activities	(5,020,378)	(2,398,907)
FINANCING ACTIVITIES		
New borrowings raised	—	2,160,000
Interest paid for loan from a related party	—	(66,603)
Repayment of loan from a related party	—	(1,000,000)
Repayment of lease liabilities	(24,737)	(5,950)
Interest paid for lease liabilities	(2,709)	(673)
Repayment of borrowings	(2,009,811)	(2,872,598)
Interest paid for borrowings	(145,259)	(199,846)
Dividends paid to the shareholders of the Company	(1,983,582)	(1,482,163)
Dividends paid to non-controlling shareholders of subsidiaries	(27,167)	(46,858)
Payment for accrued issue costs	(11,625)	—
Repurchase and cancellation of restricted shares	(647)	(1,003)
Advance from related parties	40	124
Net cash used in financing activities	(4,205,497)	(3,515,570)
Net decrease in cash and cash equivalents	(4,900,599)	(2,546,759)
Effect of foreign exchange rate changes	140,484	32,785
Cash and cash equivalents at the beginning of the period	10,936,804	10,493,519
Cash and cash equivalents at the end of the period	6,176,689	7,979,545

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2025

1. INFORMATION

Lens Technology Co., Ltd. 藍思科技股份有限公司 (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) as a joint stock company with limited liability. In March 2015, the Company was listed on the Shenzhen Stock Exchange (stock code: 300433) and its H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 9 July 2025.

During the six months ended 30 June 2025, the Company and its subsidiaries (the “**Group**”) is principally engaged in the businesses of research and development, design, manufacturing and sales of various structural parts, functional modules and others, such as complete device assembly for consumer electronics, smart vehicles and other emerging areas.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

3. APPLICATION OF AMENDMENTS TO AN IFRS ACCOUNTING STANDARD

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

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to an 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.

4. ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from the application of amendments to an IFRS Accounting Standard, the accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group’s consolidated financial statements for the three years ended 31 December 2024 underlying the preparation of historical financial information included in the accountants’ report as set out in the Appendix I to the prospectus of the Company dated 30 June 2025 in connection with the proposed global offering of H shares of the Company on the Main Board of the Stock Exchange.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

5. REVENUE AND SEGMENT INFORMATION

The following is an analysis of the Group's revenue from major end use products and services:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Smartphones and computers	27,184,821	24,015,935
Smart vehicles and cockpits	3,164,660	2,717,527
Intelligent head-mounted displays and smart wearables	1,646,553	1,435,012
Others smart devices	363,606	159,334
Others	600,518	538,841
Total	32,960,158	28,866,649

Timing of revenue from contracts with customers recognition

All revenue from contracts with customers within the scope of IFRS 15 *Revenue from Contracts with Customers* are recognised at a point in time.

Geographical information

The Group's operations are located in the PRC (country of domicile), the United States of America (the "U.S."), Vietnam, Mexico and Japan.

Information about the Group's revenue from external customers is presented based on delivery destination or the shipping destination on customs declaration.

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Offshore		
— Special supervision territory in China (note)	11,890,395	11,345,816
— Vietnam	2,855,107	1,837,695
— Asia (excluding Mainland China and Vietnam)	2,120,561	2,797,169
— North America	1,103,033	1,157,469
— Others	464,454	174,018
	18,433,550	17,312,167
Mainland China (excluding special supervision territory) (note)	14,526,608	11,554,482
Total	32,960,158	28,866,649

Note: During the six months ended 30 June 2025, the amount of the Group's total revenue from Mainland China (country of domicile), represented by domestic and special supervision territory within the PRC (excluding Hong Kong, Macao and Taiwan), is RMB26,417,003,000 (six months ended 30 June 2024: RMB22,900,298,000).

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

5. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

Information about the Group's non-current assets is presented based on the geographical location of the assets.

The Group's non-current assets (excluding deferred tax assets and financial assets) of RMB44,021,955,000 (31 December 2024: RMB42,649,416,000) are located in the PRC as at 30 June 2025. The remaining non-current assets are located in the U.S., Vietnam, Mexico and others, with each jurisdiction's individual non-current assets constituting less than 10% to the Group's non-current assets.

Segment information

For the purpose of resource allocation and assessment of performance, the executive directors of the Company, being the chief operating decision makers, focus on the overall results and financial position of the Group. The Group has only one single operating and reportable segment.

6. OTHER INCOME

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants		
— related to expense items (note)	111,409	70,706
— related to assets	30,747	30,775
	142,156	101,481
Interest income	124,091	129,876
Compensation income	13,875	14,390
Others	30,341	36,163
	310,463	281,910

Note: The amount mainly represents various subsidies received from the PRC government authorities for the purpose of motivating the business development of the Group. There were no unfulfilled conditions or contingencies relating to these government grants.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

7. REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Impairment losses reversed (recognised) on:		
— Trade and bills receivables	24,675	2,829
— Other receivables	395	(1,209)
— Amounts due from related parties	269	(18)
	25,339	1,602

8. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Net foreign exchange gains	167,973	30,357
Net gain from changes in fair value of financial assets/liabilities at FVTPL	74,180	110,083
Gain (loss) on disposal of property, plant and equipment and intangible assets	13,675	(10,856)
Others	(686)	—
	255,142	129,584

9. FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Interest on borrowings	153,154	196,420
Interest on loan from a related party	—	1,457
Interest on lease liabilities	2,709	673
Total finance costs	155,863	198,550

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

10. INCOME TAX EXPENSE (CREDIT)

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current tax:		
— PRC Enterprise Income Tax	24,083	101,660
— Hong Kong	39,033	5,774
— Vietnam	—	14,901
— Other jurisdictions	199	689
	63,315	123,024
Underprovision in prior years:		
— PRC Enterprise Income Tax	23,251	2
	23,251	2
Deferred tax credit (Note 15)	(35,193)	(216,582)
	51,373	(93,556)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Group’s PRC subsidiaries is 25%.

The Company and certain of its PRC subsidiaries are accredited as High New Tech Enterprises and are subject to preferential tax rate of 15% during the respective accredited period.

Pursuant to relevant laws and regulations in the PRC, several subsidiaries are eligible as a Small Low-profit Enterprise (小型微利企業) and are subject to preferential tax treatments.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

11. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	2,429,369	2,324,818
Depreciation of investment properties	24,998	28,082
Depreciation of right-of-use assets	63,364	51,191
Amortisation of intangible assets	106,009	105,494
Total depreciation and amortisation	2,623,740	2,509,585
Capitalised in inventories	(2,018,116)	(1,959,517)
	605,624	550,068
Impairment losses recognised on property, plant and equipment, included in administrative expenses	45,252	24,438
Other expenses		
— Donation	113	400
Cost of inventories recognised as an expense	28,525,800	25,098,484
Excluding: reversal of write-down of inventories	(32,862)	(3,992)

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

12. DIVIDENDS

Subsequent to the end of the current interim period, an interim dividend plan in respect of the six months ended 30 June 2025 of RMB0.10 per ordinary share (inclusive of tax), in aggregate of RMB526,023,000 (six months ended 30 June 2024: nil), was approved by the board of directors on 25 August 2025. The 2024 final dividend of RMB1,983,582,000 in aggregate (RMB0.40 per ordinary share of final dividend) were declared and paid during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB1,482,163,000, with RMB0.30 per ordinary share).

13. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Earnings (RMB'000):		
Profit for the period attributable to owners of the Company	1,142,689	861,262
Number of shares ('000):		
Weighted average number of ordinary shares for the purpose of basic earnings per share (<i>note</i>)	4,954,358	4,930,952
Effect of dilutive potential ordinary shares:		
Restricted A-share Scheme	16,323	6,867
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,970,681	4,937,819

Note: Treasury shares and restricted shares subject to repurchase were excluded in calculating the weighted average number of ordinary shares for the purpose of calculating basic earnings per share.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

14. PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS/INTANGIBLE ASSETS

Property, plant and equipment

During the six months ended 30 June 2025, the Group purchased property, plant and equipment of RMB4,953,058,000 (six months ended 30 June 2024: RMB2,151,634,000).

During the six months ended 30 June 2025, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB55,459,000 (six months ended 30 June 2024: RMB21,257,000), resulting in a gain on disposal of RMB13,675,000 (six months ended 30 June 2024: loss on disposal of RMB10,804,000).

Right-of-use assets

During the six months ended 30 June 2025, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 2 to 5 years (six months ended 30 June 2024: nil) and recognised right-of-use assets of RMB32,349,000 (six months ended 30 June 2024: nil) and lease liabilities of RMB32,349,000 (six months ended 30 June 2024: nil).

During the six months ended 30 June 2025, the Group purchased leasehold land of RMB637,000 (six months ended 30 June 2024: RMB117,582,000).

Intangible assets

During the six months ended 30 June 2025, the Group purchased intangible assets of RMB4,696,000 (six months ended 30 June 2024: RMB3,262,000).

15. DEFERRED TAXATION

For the purpose of presentation in the condensed consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Deferred tax assets	1,376,021	1,387,226
Deferred tax liabilities	(374,136)	(385,058)
	1,001,885	1,002,168

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

15. DEFERRED TAXATION (Continued)

	Provision for impairment of assets RMB'000	Depreciation of fixed assets RMB'000	Unrealised profit on internal transactions RMB'000	Deferred income RMB'000	Tax losses RMB'000	Share-based payment RMB'000	Increase in fair value of consolidated assets not under common control RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024 (audited)	140,387	167,551	100,417	88,555	665,545	8,486	(386,769)	(21,833)	762,339
(Charge) credit to profit or loss	(2,688)	(28,010)	193	(1,013)	190,273	12,474	15,750	29,603	216,582
Charge to other comprehensive income	—	—	—	—	—	—	—	(4,501)	(4,501)
Credit to equity for the period	—	—	—	—	—	20,095	—	—	20,095
At 30 June 2024 (Unaudited)	137,699	139,541	100,610	87,542	855,818	41,055	(371,019)	3,269	994,515
Credit (charge) to profit or loss	24,165	(4,343)	4,802	(3,080)	(31,775)	(37,675)	15,786	(2,861)	(34,981)
Credit to other comprehensive income	—	—	—	—	—	—	—	4,501	4,501
Credit to equity for the period	—	—	—	—	—	38,133	—	—	38,133
At 1 January 2025 (audited)	161,864	135,198	105,412	84,462	824,043	41,513	(355,233)	4,909	1,002,168
(Charge) credit to profit or loss	(26,655)	(14,192)	5,314	(4,343)	49,220	10,747	15,475	(373)	35,193
Charge to other comprehensive income	—	—	—	—	—	—	—	(1,814)	(1,814)
Charge to equity for the period	—	—	—	—	—	(33,662)	—	—	(33,662)
At 30 June 2025 (Unaudited)	135,209	121,006	110,726	80,119	873,263	18,598	(339,758)	2,722	1,001,885

No deferred tax asset has been recognised on deductible temporary differences of RMB870,219,000 (31 December 2024: RMB963,512,000) as at 30 June 2025, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At 30 June 2025, the Group has unused tax losses of RMB8,340,347,000 (31 December 2024: RMB7,789,918,000) available for offset against future profits. Deferred tax asset has been recognised in respect of RMB5,821,756,000 (31 December 2024: RMB5,493,619,000) of such losses and no deferred tax asset has been recognised on remaining RMB2,518,591,000 as at 30 June 2025 (31 December 2024: RMB2,296,299,000), due to the unpredictability of future profit streams.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

16. FINANCIAL ASSETS (LIABILITIES) AT FVTPL

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Structured deposits	1,081,917	354,917
Unlisted investments at FVTPL	138,443	—
Deliverable forwards	(15,432)	(9,620)
Listed equity securities	589	—
	1,205,517	345,297
Analysed for reporting purposes as:		
Financial assets at FVTPL	1,242,678	354,917
Financial liabilities at FVTPL	(37,161)	(9,620)
Analysed for reporting purposes as:		
Current assets	1,104,235	354,917
Non-current assets	138,443	—
Current liabilities	(37,161)	(9,620)

The structured deposits are classified as current as the management expects to realise these financial assets within twelve months after the reporting period.

The Group has the deliverable forwards outstanding as at the end of the reporting period. They are marked to market with the resulting gain or loss taken to profit or loss.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

17. INVENTORIES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Raw materials	1,380,085	1,151,628
Work in progress	2,299,495	1,938,450
Finished goods	2,099,753	3,286,086
Goods in transit	1,035,228	1,029,114
Consumables and others	389,107	206,631
	7,203,668	7,611,909
Less: provision	(418,494)	(451,356)
	6,785,174	7,160,553

18. TRADE AND BILLS RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade receivables	8,877,537	11,006,529
Bills receivables	837	7,519
Less: allowance for ECL	(123,393)	(148,312)
	8,754,981	10,865,736

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

18. TRADE AND BILLS RECEIVABLES (Continued)

Ageing of trade receivables is prepared based on the invoice date, which approximated the respective revenue recognition dates, as follows:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Not past due	8,631,198	10,610,390
Past due:		
0–90 days	187,242	363,411
91–180 days	33,428	9,396
181–365 days	15,957	4,236
Over 1 year	9,712	19,096
	8,877,537	11,006,529

The normal credit term to the customers ranged between 30 days to 120 days.

As at 30 June 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB246,339,000 (31 December 2024: RMB396,139,000) which are past due and with aggregate carrying amount of RMB59,097,000 (31 December 2024: RMB32,728,000) are past due 90 days or more.

Out of the balances that are past due 90 days or more, RMB55,781,000 (31 December 2024: RMB29,404,000) is not considered as in default due to the historical and expected subsequent repayment from the debtors and the remaining trade receivables past due 90 days or more amounting to RMB3,316,000 (31 December 2024: RMB3,324,000) has become credit-impaired. The Group does not hold any collateral over these balances.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

19. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Value-added tax recoverable	586,999	344,998
Prepayments for property, plant and equipment	928,579	1,020,338
Prepayments for materials and others	148,792	174,304
Refundable deposits for land use rights	200,000	200,000
Refundable deposits for project performance	150,000	150,000
Rental and other deposits	44,616	48,213
Deferred issue costs	29,015	—
Other receivables	157,873	141,181
	2,245,874	2,079,034
Less: allowance for ECL	(39,872)	(40,265)
	2,206,002	2,038,769
Analysed for reporting purposes as:		
Current assets	1,261,074	1,000,455
Non-current assets	944,928	1,038,314
	2,206,002	2,038,769

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

20. TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade payables	9,363,757	10,388,566
Bills payables	169,118	91,623
	9,532,875	10,480,189
Accrued staff cost	1,440,892	1,532,142
Construction payables	3,895,189	3,616,325
Other accrued charges	346,824	306,028
Other tax payables	200,981	267,313
Deposits received	111,780	86,499
Accrued issue costs	17,390	—
Accrued listing expenses	1,277	—
Others	31,672	77,338
	15,578,880	16,365,834

The following is the ageing analysis of trade payables based on the date of goods and services received at the end of reporting period:

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within 1 year	9,325,877	10,388,566
Over 1 year	37,880	—
	9,363,757	10,388,566

The credit period on purchases of goods and services of the Group is within 120 days. All the bills payables are with maturity within one year.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

21. BORROWINGS

During the six months ended 30 June 2025, the Group repaid borrowings of RMB2,009,811,000 (six months ended 30 June 2024: RMB2,872,598,000).

The Group's variable-rate bank borrowings carry interest at Loan Prime Rate adjusted by floating up or down a certain percentage. The interest rate is reset at regular intervals, ranging from 1 to 12 months.

22. SHARE CAPITAL

	Number of shares	Share capital RMB'000
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2024 (audited)	4,983,227,981	4,983,228
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(158,200)	(158)
At 30 June 2024 (unaudited)	4,983,069,781	4,983,070
At 1 January 2025 (audited)	4,982,879,271	4,982,879
Repurchase and cancellation of restricted shares under Restricted A-share Scheme	(107,100)	(107)
At 30 June 2025 (unaudited)	4,982,772,171	4,982,772

At 30 June 2025, the Company had outstanding treasury shares of 23,817,167 (31 December 2024: 23,817,167 shares).

23. CAPITAL COMMITMENTS

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Capital expenditure contracted but not provided for in the condensed consolidated financial statements — Property, plant and equipment	2,640,373	2,217,417

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

24. SHARE-BASED PAYMENT

On 18 August 2023, the Company has adopted Restricted A-share Scheme, pursuant to which the Company granted restricted shares to eligible participants include, but not limited to the Group's directors, senior management and other employees.

The Company granted both Type I and Type II restricted shares. Type I restricted shares under the Restricted A-share Scheme are valid for a maximum of 48 months from the date of completion of registration of the grant of restricted shares to the date of release of all restricted shares or cancellation on repurchase; Type II restricted shares under the Restricted A-share Scheme are valid for a maximum of 48 months from the date of grant of restricted shares to the date of full vesting or lapsing.

Set out below are details of the movements of the outstanding restricted shares of Type I restricted shares throughout the reporting period:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Outstanding at the beginning of the period	4,644,791	9,710,783
Lapsed during the period	(70,999)	(214,800)
Outstanding at the end of the period	4,573,792	9,495,983

Set out below are details of the movements of the outstanding restricted shares of Type II restricted shares throughout the reporting period:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Outstanding at the beginning of the period	18,586,367	38,843,133
Forfeited during the period	(291,201)	(859,200)
Outstanding at the end of the period	18,295,166	37,983,933
Exercisable at the end of the period	—	—

For the six months ended 30 June 2025, the Group recognised a total expense of RMB29,967,000 (six months ended 30 June 2024: RMB94,412,000), in relation to the Restricted A-share Scheme.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial instruments measured at fair value on a recurring basis

Some of the Group's financial instruments are measured at fair value at the end of the reporting periods. The following table gives information about how the fair values of these financial instruments are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Set out below is the information about how the fair values of the Group's financial instruments that are measured at fair value are determined, including the valuation technique and inputs used:

Financial assets/ (liabilities)	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	Fair value hierarchy	Valuation technique and key input(s)	Significant unobservable input
Bills receivables at FVTOCI	94,771	9,779	Level 2	Discounted cash flow Risk-adjusted discount rate and cash flow are key inputs	N/A
Deliverable forwards	(15,432)	(9,620)	Level 2	Discounted cash flow were estimated based on the applicable forward foreign exchange rates	N/A
Structured deposits	1,081,917	354,917	Level 2	Income approach — The discounted cash flow method was used to estimate the interest from the underlying bank deposits	N/A
Listed equity securities	589	N/A	Level 1	Quoted bid prices in an active market	N/A
Equity instruments at FVTOCI	46,891	N/A	Level 1	Quoted bid prices in an active market	N/A
Equity instruments at FVTOCI	445,109	445,109	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher the fair value.
Unlisted investments at FVTPL	138,443	N/A	Level 2	Recent transaction price	N/A

A reasonably possible change in the unobservable input would not change the fair value of the relevant financial instrument significantly, therefore no sensitivity analysis is disclosed.

There were no transfers between the fair value hierarchy levels during the current period.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

25. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of financial instruments that are recorded at amortised cost

The management consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements

The following table presents the changes in level 3 financial instruments during the current period:

	Equity instruments at FVTOCI RMB'000
At 1 January 2024 (unaudited)	465,563
Fair value changes through other comprehensive income	29,999
At 30 June 2024 (unaudited)	495,562
At 1 January 2025 and 30 June 2025 (unaudited)	445,109

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the reporting period.

(a) Related parties and relationship

During the current period, the following parties are identified as related parties to the Group and the respective relationships are set out below:

Name of Related Parties	Relationship
Ms. Chau Kwan Fei	Controlling Shareholder
Lens Technology (HK) Co., Limited 藍思科技(香港)有限公司	Holding Company
Changsha Intelligent Robot Research Institute Co., Ltd. ("Changsha Intelligent Robot") 長沙智能機器人研究院有限公司	Associate
Changsha Sinocera New Material Co., Ltd. ("Changsha Sinocera") 長沙國瓷新材料有限公司	Associate
Hunan Juhong Technology Co., Ltd. ("Hunan Juhong") 湖南鉅宏科技有限公司	Associate
Dongguan Yuya Technology Co., Ltd. ("Dongguan Yuya") 東莞市裕雅科技有限公司	Associate
Dongguan Yutong Precision Technology Co., Ltd. ("Dongguan Yutong") 東莞市裕同精密科技有限公司	Associate (disposed of before 31 March 2025)
Zibo Jincheng New Materials Co., Ltd. ("Zibo Jincheng") 淄博金成新材料有限公司	Associate
Changsha Ruihong Technology Co., Ltd. ("Changsha Ruihong") 長沙睿鴻科技有限公司	Associate
Ningxia Xinjingsheng Electronic Materials Co., Ltd. ("Ningxia Xinjingsheng") 寧夏鑫晶盛電子材料有限公司	Associate
Hunan Hualian Special Yuanhua Co., Ltd. ("Hunan Hualian Special Yuanhua") 湖南華聯特種陶瓷有限公司	A related company controlled by non-controlling shareholder
Hunan Hualian Torch Porcelain Insulator & Electrical Apparatus Co., Ltd ("Hunan Hualian Torch") 湖南華聯火炬電瓷電器有限公司	A related company controlled by non-controlling shareholder
HAWEMA Werkzeugschleifmaschinen GmbH	A related company controlled by Ms. Chau Kwan Fei
Hunan Miaomiao Shopping Commercial Co., Ltd ("Hunan Miaomiao") 湖南妙妙購商業有限公司	A related company controlled by a close member of Ms. Chau Kwan Fei
Ms. Zhou Yihui 周藝輝	A close family member of Ms. Chau Kwan Fei
Mr. Jiang Weiping 蔣衛平	A close family member of Ms. Chau Kwan Fei
Changsha Maijing Technology Co., Ltd ("Changsha Maijing") 長沙麥睛科技股份有限公司	Associate of a related company controlled by Ms. Chau Kwan Fei
Shenzhen Nanke Jia'an Robot Technology Co., Ltd ("Shenzhen Nanke Jia'an") 深圳市南科佳安機器人科技有限公司	Associate of a related company controlled by Ms. Chau Kwan Fei

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

The Group and the Company entered into the following transactions/balances with the related parties:

(b) Transactions with related parties

(i) Purchase

Name of related party	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Hunan Juhong	400,180	192,731
Ningxia Xinjingsheng	88,822	119,034
Changsha Maijing	45,890	41,120
Zibo Jincheng	29,860	76,891
Changsha Sinocera	20,625	18,289
Shenzhen Nanke Jia'an	17,796	—
HAWEMA Werkzeugschleifmaschinen GmbH	4,708	3,234
Changsha Ruihong	4,042	1,942
Changsha Intelligent Robot	3,908	473
Dongguan Yuya	313	12,731
Dongguan Yutong	N/A	75,210
	616,144	541,655

(ii) Finance costs — interest on loan from a related party

Name of related party	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Lens Technology (HK) Co., Limited	—	1,457

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balances

(i) Trade and bills receivables

Name of related parties	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Changsha Maijing	3,857	6,946
Hunan Juhong	591	329
Changsha Sinocera	258	—
Hunan Miaomiao	41	—
Dongguan Yutong	N/A	2,557
	4,747	9,832

The amounts are in trade nature, unsecured, non-interest bearing and aged within one year at the end of reporting period.

(ii) Prepayments for property, plant and equipment

Name of related parties	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Hunan Juhong	8,796	27,930
Changsha Maijing	8,045	6,433
HAWEMA Werkzeugschleifmaschinen GmbH	3,951	4,801
Changsha Ruihong	476	839
	21,268	40,003

The amounts are in non-trade nature, unsecured, non-interest bearing and the property, plant and equipment will be delivered to the respective entities in accordance with the terms of respective agreements.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balances (Continued)

(iii) Amounts due from related parties

Name of related parties	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Ms. Chau Kwan Fei	163	165
Dongguan Yuya	—	16,700
Changsha Sinocera	—	117
Hunan Miaomiao	—	85
Hunan Juhong	—	64
Shenzhen Nanke Jia'an	—	29
Changsha Ruihong	—	2
Ms. Zhou Yihui	—	4
Dongguan Yutong	N/A	7,707
	163	24,873

As at 30 June 2025, the amounts include rental deposits which are unsecured and repayable according to mutually agreed terms.

Maximum amounts due from a director

Name of a director	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Ms. Chau Kwan Fei	165	165

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balances (Continued)

(iv) Trade and other payables

Name of related parties	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Hunan Juhong	254,924	117,217
Ningxia Xinjingsheng	83,576	138,423
Changsha Majing	40,004	38,242
Zibo Jincheng	26,525	57,002
Shenzhen Nanke Jia'an	16,584	4,579
Changsha Sinocera	14,510	11,027
Changsha Ruihong	8,204	6,815
Changsha Intelligent Robot	3,546	2,280
Hunan Hualian Special Yuanhua	435	295
Dongguan Yuya	—	8,649
Hunan Hualian Torch	—	25
Dongguan Yutong	N/A	27,016
	448,308	411,570

The amounts are trade in nature, unsecured, interest-free and repayable within 120 days.

(v) Amounts due to related parties

Name of related parties	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Hunan Juhong	20	20
Shenzhen Nanke Jia'an	5	5
Changsha Ruihong	1	1
Ms. Zhou Yihui	20	—
Mr. Jiang Weiping	20	—
	66	26

As at 30 June 2025, the amounts are rental and other deposits, unsecured and repayable according to the mutually agreed terms of payment.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(c) Related party balances (Continued)

(vi) Contract liabilities

Name of related parties	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Changsha Majijing	780	1,216
Shenzhen Nanke Jia'an	1	1
	781	1,217

The amounts are trade in nature, unsecured and non-interest bearing.

(vii) Lease liabilities

Name of related party	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Ms. Chau Kwan Fei	975	955

The amounts are non-trade in nature and represent leasing of office and repayable as per the lease contracts. The lease contracts will be mature in June 2026.

Notes to the Condensed Consolidated Financial Statements (Continued)

For the six months ended 30 June 2025

26. RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel

During the current period, the remunerations of key management personnel which represent the directors of the Company and other members of key management were as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Salaries, allowances and other benefits	8,168	7,637
Discretionary bonus	43	48
Retirement benefit scheme contributions	49	53
	8,260	7,738

The remuneration of these key executives of the Group is determined by the remuneration committee having regard to the performance of individuals and market trends.

27. EVENT AFTER THE END OF THE REPORTING PERIOD

On 9 July 2025, the Company's ordinary shares were listed on the Stock Exchange, upon when the Company issued a total of 262,256,800 ordinary shares of each at HK\$18.18 (equivalent to RMB16.57) for cash by way of public offer.

On 6 August 2025, the Company issued a total of 39,338,400 ordinary shares of each at HK\$18.18 (equivalent to RMB16.54) on the Stock Exchange pursuant to the full exercise of the over-allotment option.