

**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****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 (collectively referred to as the “Group”) set out on pages IA-3 to IA-28, which comprise the condensed consolidated statement of financial position as of 31 March 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 three months then ended, and notes to the condensed consolidated financial statements. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34 “Interim Financial Reporting” issued by the International Accounting Standards Board. 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 three months ended 31 March 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

30 June 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Three months ended 31 March	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
	<i>Notes</i>		
Revenue	5		
Contracts with customers		17,026,690	15,460,491
Leases		<u>36,510</u>	<u>37,784</u>
Total revenue		17,063,200	15,498,275
Cost of sales		<u>(15,079,181)</u>	<u>(13,850,837)</u>
Gross profit		1,984,019	1,647,438
Other income	6	106,782	151,858
Reversal of impairment losses under expected credit loss ("ECL") model, net	7	24,439	10,200
Other gains and losses, net	8	123,818	37,226
Selling expenses		(149,116)	(157,133)
Administrative expenses		(780,477)	(762,961)
Research and development expenses		(791,408)	(574,622)
Other expenses		(114)	(102)
Share of results of investments accounted for using the equity method		2,257	(3,833)
Listing expenses		(978)	—
Finance costs	9	<u>(79,865)</u>	<u>(102,480)</u>
Profit before tax		439,357	245,591
Income tax credit	10	<u>14,583</u>	<u>70,127</u>
Profit for the period	11	<u>453,940</u>	<u>315,718</u>
Other comprehensive income (expense):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(700)	(22,178)
<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")		<u>2,765</u>	<u>—</u>
Total comprehensive income for the period		<u><u>456,005</u></u>	<u><u>293,540</u></u>

		Three months ended 31 March	
		2025	2024
	<i>Note</i>	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Profit for the period attributable to:			
— Owners of the Company		428,885	309,202
— Non-controlling interests		<u>25,055</u>	<u>6,516</u>
		<u>453,940</u>	<u>315,718</u>
Total comprehensive income for the period attributable to:			
— Owners of the Company		430,950	287,024
— Non-controlling interests		<u>25,055</u>	<u>6,516</u>
		<u>456,005</u>	<u>293,540</u>
Earnings per share	13		
— Basic (RMB)		0.09	0.06
— Diluted (RMB)		<u>0.09</u>	<u>0.06</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 March 2025	31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	14	38,237,196	37,809,136
Right-of-use assets	14	3,441,621	3,441,157
Investment properties		888,276	900,777
Intangible assets	14	1,771,012	1,822,041
Goodwill		2,970,144	2,970,144
Investments accounted for using the equity method		334,168	325,665
Equity instruments at FVTOCI		483,159	445,109
Time deposits		101,728	103,697
Deferred tax assets	15	1,422,271	1,387,226
Prepayments and other receivables	19	1,711,147	1,038,314
		<u>51,360,722</u>	<u>50,243,266</u>
Current assets			
Inventories	17	6,443,610	7,160,553
Trade and bills receivables	18	8,767,788	10,865,736
Bills receivables at FVTOCI		27,345	9,779
Prepayments and other receivables	19	1,081,144	1,000,455
Amounts due from related parties	26	918	24,873
Financial assets at fair value through profit or loss ("FVTPL")	16	1,086,599	354,917
Income tax recoverable		81,682	45,976
Time deposits		327,568	322,412
Restricted bank deposits		50,533	51,276
Bank balances and cash		9,914,183	10,936,804
		<u>27,781,370</u>	<u>30,772,781</u>
Current liabilities			
Trade and other payables	20	14,647,574	16,365,834
Financial liabilities at FVTPL	16	4,976	9,620
Amounts due to related parties	26	26	26
Income tax payable		14,690	110,787
Borrowings	21	6,689,243	6,518,634
Lease liabilities		58,622	47,659
Contract liabilities		19,134	12,601
		<u>21,434,265</u>	<u>23,065,161</u>
Net current assets		<u>6,347,105</u>	<u>7,707,620</u>
Total assets less current liabilities		<u>57,707,827</u>	<u>57,950,886</u>

		31 March 2025	31 December 2024
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
Non-current liabilities			
Borrowings	21	7,113,739	7,807,931
Lease liabilities		159,744	151,529
Provision		17,000	18,880
Deferred tax liabilities	15	380,660	385,058
Deferred income		<u>726,199</u>	<u>741,578</u>
		<u>8,397,342</u>	<u>9,104,976</u>
Net assets		<u><u>49,310,485</u></u>	<u><u>48,845,910</u></u>
Capital and reserves			
Share capital	22	4,982,879	4,982,879
Reserves		<u>44,113,282</u>	<u>43,673,762</u>
Equity attributable to owners of the Company		49,096,161	48,656,641
Non-controlling interests		<u>214,324</u>	<u>189,269</u>
Total equity		<u><u>49,310,485</u></u>	<u><u>48,845,910</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 (unaudited)	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	—	—	—	—	—	—	—	428,885	428,885	25,055	453,940
Other comprehensive income (expense) for the period	—	—	—	—	2,765	(700)	—	—	2,065	—	2,065
Total comprehensive income (expense) for the period	—	—	—	—	2,765	(700)	—	428,885	430,950	25,055	456,005
Recognition of equity-settled share-based payments	—	—	—	8,570	—	—	—	—	8,570	—	8,570
At 31 March 2025 (unaudited)	4,982,879	20,613,513	(280,019)	313,701	162,848	18,137	2,620,270	20,664,832	49,096,161	214,324	49,310,485
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	—	—	—	—	—	—	—	309,202	309,202	6,516	315,718
Other comprehensive expense for the period	—	—	—	—	—	(22,178)	—	—	(22,178)	—	(22,178)
Total comprehensive (expense) income for the period	—	—	—	—	—	(22,178)	—	309,202	287,024	6,516	293,540
Distribution	—	—	—	—	—	—	—	—	—	(46,858)	(46,858)
Recognition of equity-settled share-based payments	—	—	—	51,265	—	—	—	—	51,265	—	51,265
At 31 March 2024 (unaudited)	4,983,228	20,588,504	(500,057)	270,632	160,083	130,749	2,404,249	18,639,886	46,677,274	142,300	46,819,574

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES	<u>2,630,443</u>	<u>2,029,854</u>
INVESTING ACTIVITIES		
Proceeds from disposal of financial assets/derivatives		
at FVTPL	1,754,202	411,779
Repayment from related parties	24,182	1,915
Upfront payments for leasehold land	—	(68,558)
Acquisition of investments accounted for equity method	(34,797)	—
Purchase of property, plant and equipment	(2,409,697)	(1,499,356)
Purchase of financial assets/derivatives at FVTPL	(2,463,652)	(1,059)
Other investing cash flows	<u>4,997</u>	<u>10,333</u>
Net cash used in investing activities	<u>(3,124,765)</u>	<u>(1,144,946)</u>
FINANCING ACTIVITIES		
New borrowings raised	—	1,450,000
Interest paid for loan from a related party	—	(66,603)
Repayment of loan from a related party	—	(1,000,000)
Repayment of lease liabilities	(13,145)	(4,770)
Interest paid for borrowings	(74,975)	(98,161)
Repayment of borrowings	(528,502)	(1,815,698)
Other financing cash flows	<u>(3,378)</u>	<u>(422)</u>
Net cash used in financing activities	<u>(620,000)</u>	<u>(1,535,654)</u>
Net decrease in cash and cash equivalents	(1,114,322)	(650,746)
Effect of foreign exchange rate changes	91,701	(5,267)
Cash and cash equivalents at the beginning of the period . .	<u>10,936,804</u>	<u>10,493,519</u>
Cash and cash equivalents at the end of the period	<u><u>9,914,183</u></u>	<u><u>9,837,506</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. INFORMATION

Lens Technology Co., Ltd. 藍思科技股份有限公司 (the “Company”) was incorporated in 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). The Company’s immediate and ultimate holding company is Lens Technology (HK) Co., Ltd. The Company is ultimately controlled by Ms. Chau Kwan Fei and Mr. Cheng Chun Lung (“Mr. Cheng”), spouse of Ms. Chau Kwan Fei, who act in concert with each other. Ms. Chau Kwan Fei is also the Chair and an executive director of the Company, and Mr. Cheng is the Vice-Chair and an executive director of the Company. Lens Technology (HK) Co., Ltd., Ms. Chau Kwan Fei and Mr. Cheng together are referred to the Controlling Shareholders. The addresses of the registered office and principal place of business of the Company are the same as the registered office in the PRC and the headquarter in the PRC as stated in the section headed “Corporate Information” of the Prospectus.

During the three months ended 31 March 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 IAS 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.

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

3. APPLICATION OF IFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards 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	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards 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. MATERIAL ACCOUNTING POLICY INFORMATION

Other than additional accounting policies resulting from the application of amendments to IFRS Accounting Standards, the accounting policies used in the condensed consolidated financial statements for the three months ended 31 March 2025 are the same as those followed in the preparation of the Group’s historical financial information for the three years ended 31 December 2024 included in the accountants’ report as set out in Appendix I to the Prospectus.

The condensed consolidated financial statements and the selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest consolidated financial statements as at and for the year ended 31 December 2024. The condensed consolidated financial statements and notes do not include all of the information and disclosures required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

5. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Smartphones and computers	14,480,751	13,119,478
Smart vehicles and cockpits	1,518,401	1,428,921
Intelligent head-mounted displays and smart wearables	675,528	663,133
Others smart devices	118,144	61,733
Scraps and materials	105,099	74,407
Processing fee	107,449	90,442
Others	21,318	22,377
Revenue from contracts with customers	17,026,690	15,460,491
Leases	36,510	37,784
Total	17,063,200	15,498,275

Timing of revenue from contracts with customers recognition

All revenue from contracts with customers within the scope of IFRS 15 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.

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Offshore		
— Special supervision territory in China (<i>note</i>)	6,034,773	5,732,452
— Vietnam	1,249,265	866,997
— Asia (excluding Mainland China and Vietnam)	1,216,114	1,340,209
— North America	541,185	620,672
— Others	229,118	88,078
	9,270,455	8,648,408
Mainland China (excluding special supervision territory) (<i>note</i>)	7,792,745	6,849,867
Total	17,063,200	15,498,275

Note: During the three months ended 31 March 2025, the amount of 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 RMB13,827,518,000 (three months ended 31 March 2024: RMB12,582,319,000).

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 RMB43,348,439,000 (31 December 2024: RMB42,649,416,000) are located in the PRC as at 31 March 2025. The remaining non-current assets are located in the U.S., Vietnam, Mexico and Japan, 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

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Government grants		
— related to expense items (<i>note</i>)	18,773	29,068
— related to assets	<u>15,379</u>	<u>15,242</u>
	<u>34,152</u>	<u>44,310</u>
Interest income	60,677	69,606
Compensation income	5,611	9,897
Others	<u>6,342</u>	<u>28,045</u>
	<u>106,782</u>	<u>151,858</u>

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.

7. REVERSAL OF IMPAIRMENT LOSSES UNDER ECL MODEL, NET

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Impairment losses reversed (recognised) on:		
— Trade and bills receivables	24,802	11,223
— Other receivables	(590)	(1,034)
— Amounts due from related parties	227	11
	<u>24,439</u>	<u>10,200</u>

8. OTHER GAINS AND LOSSES, NET

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Net foreign exchange gains (losses)	94,930	(3,371)
Net gain from changes in fair value of financial assets/liabilities at FVTPL	26,876	38,900
Gain on disposal of property, plant and equipment and intangible assets	<u>2,012</u>	<u>1,697</u>
	<u>123,818</u>	<u>37,226</u>

9. FINANCE COSTS

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Interest on borrowings	78,485	100,669
Interest on loan from a related party	—	1,457
Interest on lease liabilities	<u>1,380</u>	<u>354</u>
Total borrowing costs	<u>79,865</u>	<u>102,480</u>

10. INCOME TAX CREDIT

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Current tax:		
— PRC Enterprise Income Tax	11,424	36,832
— Hong Kong	20,199	20
— Vietnam	16	5,037
— Other jurisdictions	44	53
	<u>31,683</u>	<u>41,942</u>
Deferred tax credit (<i>Note 15</i>)	<u>(46,266)</u>	<u>(112,069)</u>
	<u>(14,583)</u>	<u>(70,127)</u>

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.

The Company’s subsidiary domiciled in Hong Kong is subject to a two-tiered income tax rate for taxable income earned in Hong Kong effectively since 1 April 2018. The first 2 million Hong Kong dollars of profits earned by the qualifying group entity are subject to be taxed at an income tax rate of 8.25%, while the remaining profits will be taxed at 16.5%.

11. PROFIT FOR THE PERIOD

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

	Three months ended 31 March	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	1,196,687	1,170,497
Depreciation of investment properties	12,501	14,046
Depreciation of right-of-use assets	31,693	25,530
Amortisation of intangible assets	53,475	52,795
Total depreciation and amortisation	1,294,356	1,262,868
Capitalised in inventories	(998,538)	(993,389)
	<u>295,818</u>	<u>269,479</u>
Impairment losses recognised on property, plant and equipment, included in administrative expenses	44,251	18,109
Other expenses — Donation	114	102
Cost of inventories recognised as an expense	14,989,661	13,731,098
Excluding: write-down of inventories	<u>32,585</u>	<u>70,313</u>

12. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend in respect of the three months ended 31 March 2025.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB0.40 per ordinary share, in aggregate of RMB1,983,582,000, was approved by shareholders of the Company at the general meeting on 18 April 2025.

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:

	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Earnings (RMB'000):		
Profit for the period attributable to owners of the Company	<u>428,885</u>	<u>309,202</u>
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	<u>16,394</u>	<u>3,144</u>
Weighted average number of ordinary shares for the purpose of		
diluted earnings per share	<u>4,970,752</u>	<u>4,934,096</u>

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

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

During the three months ended 31 March 2025, the Group purchased property, plant and equipment of RMB1,677,552,000 (three months ended 31 March 2024: RMB879,607,000).

During the three months ended 31 March 2025, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of RMB5,431,000 (three months ended 31 March 2024: RMB2,521,000), resulting in a gain on disposal of RMB2,012,000 (three months ended 31 March 2024: gain on disposal of RMB1,697,000).

During the three months ended 31 March 2025, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 2 to 5 years (three months ended 31 March 2024: nil). On date of lease commencement, the Group recognised right-of-use assets of RMB32,323,000 (three months ended 31 March 2024: nil) and lease liabilities of RMB32,323,000 (three months ended 31 March 2024: nil).

During the three months ended 31 March 2025, the Group made no upfront payment in respect of leasehold land (three months ended 31 March 2024: RMB68,558,000).

During the three months ended 31 March 2025, the Group purchased intangible assets of RMB2,446,000 (three months ended 31 March 2024: nil).

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 31 March 2025		At 31 December 2024	
	RMB'000 (Unaudited)		RMB'000 (Audited)	
Deferred tax assets	1,422,271		1,387,226	
Deferred tax liabilities	(380,660)		(385,058)	
	<u>1,041,611</u>		<u>1,002,168</u>	

	Provision for impairment of assets	Depreciation of fixed assets	Unrealised profit on internal transactions	Deferred income	Tax losses	Share- based payment	Increase in fair value of consolidated assets not under common control	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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
Credit (charge) to profit or loss	9,978	(11,681)	14	(1,305)	87,047	6,368	8,138	13,510	112,069
Credit to equity for the period	—	—	—	—	—	2,378	—	—	2,378
At 31 March 2024 (Unaudited)	<u>150,365</u>	<u>155,870</u>	<u>100,431</u>	<u>87,250</u>	<u>752,592</u>	<u>17,232</u>	<u>(378,631)</u>	<u>(8,323)</u>	<u>876,786</u>
Credit (charge) to profit or loss	11,499	(20,672)	4,981	(2,788)	71,451	(31,569)	23,398	13,232	69,532
Credit to equity for the period	—	—	—	—	—	55,850	—	—	55,850
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	(1,649)	(1,093)	3,644	(2,172)	39,676	1,694	7,659	(1,493)	46,266
Charge to other comprehensive income	—	—	—	—	—	—	—	(488)	(488)
Charge to equity for the period	—	—	—	—	—	(6,335)	—	—	(6,335)
At 31 March 2025 (Unaudited)	<u>160,215</u>	<u>134,105</u>	<u>109,056</u>	<u>82,290</u>	<u>863,719</u>	<u>36,872</u>	<u>(347,574)</u>	<u>2,928</u>	<u>1,041,611</u>

No deferred tax asset has been recognised on deductible temporary differences of RMB919,241,000 (31 December 2024: RMB963,512,000) as at 31 March 2025, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At 31 March 2025, the Group has unused tax losses of RMB8,107,847,000 (31 December 2024: RMB7,789,918,000) available for offset against future profits. Deferred tax asset has been recognised in respect of RMB5,758,124,000 (31 December 2024: RMB5,493,619,000) of such losses and no deferred tax asset has been recognised on remaining RMB2,349,723,000 as at 31 March 2025 (31 December 2024: RMB2,296,299,000), due to the unpredictability of future profit streams.

16. FINANCIAL ASSETS (LIABILITIES) AT FVTPL

	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Structured deposits	1,081,917	354,917
Deliverable forwards	(294)	(9,620)
	<u>1,081,623</u>	<u>345,297</u>
Analysed for reporting purposes as:		
Financial assets at FVTPL	1,086,599	354,917
Financial liabilities at FVTPL	(4,976)	(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.

17. INVENTORIES

	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Raw materials	1,165,182	1,151,628
Work in progress	1,790,116	1,938,450
Finished goods	2,624,162	3,286,086
Goods in transit	1,056,021	1,029,114
Consumables and others	<u>292,070</u>	<u>206,631</u>
	6,927,551	7,611,909
Less: provision	<u>(483,941)</u>	<u>(451,356)</u>
	<u>6,443,610</u>	<u>7,160,553</u>

18. TRADE AND BILLS RECEIVABLES

	<u>At 31 March 2025</u>	<u>At 31 December 2024</u>
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade receivables	8,889,975	11,006,529
Bills receivables	1,273	7,519
Less: allowance for ECL	<u>(123,460)</u>	<u>(148,312)</u>
	<u><u>8,767,788</u></u>	<u><u>10,865,736</u></u>

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

	<u>At 31 March 2025</u>	<u>At 31 December 2024</u>
	RMB'000 (Unaudited)	RMB'000 (Audited)
Not past due	8,478,803	10,610,390
Past due:		
0–90 days	372,707	363,411
91–180 days	20,877	9,396
181–365 days	7,630	4,236
Over 1 year	<u>9,958</u>	<u>19,096</u>
	<u><u>8,889,975</u></u>	<u><u>11,006,529</u></u>

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

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB411,172,000 (31 December 2024: RMB396,139,000) which are past due and with aggregate carrying amount of RMB38,465,000 (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, RMB35,144,000 (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 RMB3,321,000 (31 December 2024: RMB3,324,000) has become credit-impaired. The Group does not hold any collateral over these balances.

19. PREPAYMENTS AND OTHER RECEIVABLES

	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Value-added tax recoverable	411,500	344,998
Prepayments for property, plant and equipment	1,694,205	1,020,338
Prepayments for materials and others	165,986	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	43,896	48,213
Deferred issue costs	14,903	—
Other receivables	152,656	141,181
	2,833,146	2,079,034
Less: allowance for ECL	(40,855)	(40,265)
	<u>2,792,291</u>	<u>2,038,769</u>
Analysed for reporting purposes as:		
Current assets	1,081,144	1,000,455
Non-current assets	1,711,147	1,038,314
	<u>2,792,291</u>	<u>2,038,769</u>

20. TRADE AND OTHER PAYABLES

	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Trade payables	8,819,622	10,388,566
Bills payables	207,154	91,623
	9,026,776	10,480,189
Accrued staff cost	1,498,518	1,532,142
Construction payables	3,457,847	3,616,325
Other accrued charges	340,722	306,028
Other tax payables	167,799	267,313
Deposits received	113,303	86,499
Accrued issue costs	12,905	—
Accrued listing expenses	378	—
Others	29,326	77,338
	<u>14,647,574</u>	<u>16,365,834</u>

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

	<u>At 31 March 2025</u>	<u>At 31 December 2024</u>
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year	8,773,370	10,388,566
Over 1 year	<u>46,252</u>	<u>—</u>
	<u><u>8,819,622</u></u>	<u><u>10,388,566</u></u>

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.

21. BORROWINGS

During the three months ended 31 March 2025, the Group had no new borrowings (three months ended 31 March 2024: RMB1,450,000,000).

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

	<u>Number of shares</u>	<u>Share capital</u> RMB'000
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2024 (audited) and 31 March 2024 (unaudited)	4,983,227,981	4,983,228
Repurchase and cancellation of restricted shares		
under Restricted A-share Scheme	<u>(348,710)</u>	<u>(349)</u>
At 31 December 2024 (audited) and 31 March 2025 (unaudited)	<u><u>4,982,879,271</u></u>	<u><u>4,982,879</u></u>

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

23. CAPITAL COMMITMENTS

	<u>At 31 March 2025</u>	<u>At 31 December 2024</u>
	RMB'000 (Unaudited)	RMB'000 (Audited)
Capital expenditure contracted but not provided		
for in the condensed consolidated financial statements		
— Property, plant and equipment	<u><u>2,557,154</u></u>	<u><u>2,217,417</u></u>

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:

	Three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Outstanding at the beginning of the period	4,644,791	9,710,783
Lapsed during the period	(42,100)	(106,800)
Outstanding at the end of the period	<u>4,602,691</u>	<u>9,603,983</u>

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

	Three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Outstanding at the beginning of the period	18,586,367	38,843,133
Forfeited during the period	(168,400)	(427,200)
Outstanding at the end of the period	<u>18,417,967</u>	<u>38,415,933</u>
Exercisable at the end of the period	<u>—</u>	<u>—</u>

For three months ended 31 March 2025, the Group recognised total expense of RMB14,905,000 (three months ended 31 March 2024: RMB48,887,000), in relation to Restricted A-share Scheme.

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:

<u>Financial assets/ (liabilities)</u>	<u>31 March 2025</u>	<u>31 December 2024</u>	<u>Fair value hierarchy</u>	<u>Valuation technique and key input(s)</u>	<u>Significant unobservable input</u>
	<u>RMB'000 (Unaudited)</u>	<u>RMB'000 (Audited)</u>			
Bills receivables at FVTOCI	27,345	9,779	Level 2	Discounted cash flow Risk-adjusted discount rate and cash flow are key inputs	N/A
Deliverable forwards	(294)	(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
Equity instruments at FVTOCI	483,159	445,109	Level 3	Net assets value of the underlying investments	The higher the net assets value, the higher the fair value.

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 reporting period.

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 reporting period:

	Equity instruments at FVTOCI RMB'000
At 1 January 2024 (audited) and at 31 March 2024 (unaudited)	<u>465,563</u>
At 1 January 2025 (unaudited)	445,109
Purchased	34,797
Fair value changes through other comprehensive income	<u>3,253</u>
At 31 March 2025 (unaudited)	<u>483,159</u>

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 reporting 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”) 長沙智慧型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
Changsha Maijing Technology Co., Ltd (“Changsha Maijing”) 長沙麥晴科技股份有限公司	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

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	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Hunan Juhong	148,174	103,882
Ningxia Xinjingsheng	38,471	49,462
Changsha Maijing	16,988	17,341
Zibo Jincheng	16,295	32,271
Shenzhen Nanke Jia'an	11,357	460
Changsha Sinocera	10,396	7,651
HAWEMA Werkzeugschleifmaschinen GmbH	4,699	—
Changsha Ruihong	1,442	446
Changsha Intelligent Robot	840	241
Dongguan Yuya	—	10,122
Dongguan Yutong	N/A	40,646
	<u>248,662</u>	<u>262,522</u>

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

Name of related party	Three months ended 31 March	
	2025	2024
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Lens Technology (HK) Co., Limited	—	1,457

(c) Related party balances

(i) Trade and bills receivables

Name of related parties	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Changsha Maijing	3,678	6,946
Hunan Juhong	131	329
Changsha Sinocera	1	—
Dongguan Yutong	N/A	2,557
	<u>3,810</u>	<u>9,832</u>

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	At
	31 March	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Hunan Juhong	99,682	27,930
Changsha Maijing	7,311	6,433
HAWEMA Werkzeugschleifmaschinen GmbH	1,020	4,801
Changsha Ruihong	839	839
	<u>108,852</u>	<u>40,003</u>

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. As at 30 April 2025, the amount of RMB72,781,000 had been transferred to property, plant and equipment and the remaining amount will be transferred to property, plant and equipment before 31 July 2025 as represented by directors of the Company.

(iii) *Amounts due from related parties*

Name of related parties	At	At
	31 March	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Dongguan Yuya	315	16,700
Changsha Sinocera	233	117
Ms. Chau Kwan Fei	164	165
Hunan Miaomiao	87	85
Hunan Juhong	84	64
Shenzhen Nanke Jia'an	31	29
Changsha Ruihong	4	2
Ms. Zhou Yihui	—	4
Dongguan Yutong	N/A	7,707
	<u>918</u>	<u>24,873</u>

As at 31 March 2025, the amounts include rental and other deposits which are unsecured and repayable according to mutually agreed terms, the remaining amounts, which have been fully settled in April 2025, are non-trade in nature, unsecured, interest-free and repayable on demand.

Maximum amounts due from a director

Name of a director	Three months ended 31 March	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Ms. Chau Kwan Fei	<u>165</u>	<u>165</u>

(iv) *Trade and other payables*

Name of related parties	At	At
	31 March	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Hunan Juhong	259,199	117,217
Ningxia Xinjingsheng	73,949	138,423
Changsha Maijing	30,672	38,242
Zibo Jincheng	27,977	57,002
Shenzhen Nanke Jia'an	15,938	4,579
Changsha Sinocera	11,444	11,027
Changsha Ruihong	7,165	6,815
Changsha Intelligent Robot	2,088	2,280
Dongguan Yuya	361	8,649
Hunan Hualian Special Yuanhua	165	295
Hunan Hualian Torch	—	25
Dongguan Yutong	N/A	27,016
	428,958	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	At
	31 March	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Hunan Juhong	20	20
Shenzhen Nanke Jia'an	5	5
Changsha Ruihong	1	1
	26	26

As at 31 March 2025, the amounts are rental and other deposits, unsecured and repayable according to the mutually agreed terms of payment.

(vi) *Contract liabilities*

<u>Name of related parties</u>	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Changsha Maijing	1,216	1,216
Shenzhen Nanke Jia'an	<u>1</u>	<u>1</u>
	<u>1,217</u>	<u>1,217</u>

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

(vii) *Lease liabilities*

<u>Name of related party</u>	At 31 March 2025	At 31 December 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Ms. Chau Kwan Fei	<u>1,215</u>	<u>955</u>

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 until June 2026 and the Group intends not to renew or extend the lease before the expiration of the lease.

(d) **Compensation of key management personnel**

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

	<u>Three months ended 31 March</u>	
	<u>2025</u>	<u>2024</u>
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Salaries, allowances and other benefits	4,084	4,330
Discretionary bonus	22	24
Retirement benefit scheme contributions	<u>24</u>	<u>26</u>
	<u>4,130</u>	<u>4,380</u>

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

Except as disclosed in note 12 of the condensed consolidated financial statements, the Group has no other significant event after the end of the reporting period.