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CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

中國航天國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 31)

ANNOUNCEMENT OF INTERIM RESULTS 2025

The Board of Directors (the “Board”) of China Aerospace International Holdings Limited (the “Company”) announces the unaudited interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 together with the comparative figures of the same period in 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended	
		30 June	30 June
		2025	2024
		(Unaudited)	(Unaudited)
	<i>NOTES</i>	HK\$'000	HK\$'000
Revenue	3	2,023,441	1,824,756
Cost of sales		(1,622,447)	(1,456,518)
Gross profit		400,994	368,238
Other income	4	41,676	39,969
Other gains and losses, net	4	(1,977)	(22,203)
Selling and distribution expenses		(31,570)	(36,285)
Administrative expenses		(216,377)	(198,333)
Research and development expenses		(75,156)	(73,471)
Fair value changes of investment properties		(255,524)	(200,457)
Impairment losses under expected credit loss model, net of reversal		1,221	1,239
Finance costs		(21,972)	(26,512)
Share of results of associates		(17,172)	20,414
Share of results of joint ventures		12	173
Loss before taxation	5	(175,845)	(127,228)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended	
		30 June	30 June
		2025	2024
		(Unaudited)	(Unaudited)
	<i>NOTES</i>	HK\$'000	HK\$'000
Taxation	6	<u>90,069</u>	<u>68,135</u>
Loss for the period		<u>(85,776)</u>	<u>(59,093)</u>
Loss for the period attributable to:			
Owners of the Company		(42,337)	(28,578)
Non-controlling interests		<u>(43,439)</u>	<u>(30,515)</u>
		<u>(85,776)</u>	<u>(59,093)</u>
Loss per share	7		
Basic and diluted		<u>(HK1.37 cents)</u>	<u>(HK0.93 cents)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended	
	30 June	30 June
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	<u>(85,776)</u>	<u>(59,093)</u>
Other comprehensive income/(expense):		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translating foreign operations		
— subsidiaries	243,910	(191,982)
— associates	6,569	(5,730)
— joint ventures	<u>—</u>	<u>(1,610)</u>
Other comprehensive income/(expense) for the period	<u>250,479</u>	<u>(199,322)</u>
Total comprehensive income/(expense) for the period	<u>164,703</u>	<u>(258,415)</u>
Total comprehensive income/(expense) for the period attributable to:		
Owners of the Company	151,311	(181,929)
Non-controlling interests	<u>13,392</u>	<u>(76,486)</u>
	<u>164,703</u>	<u>(258,415)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	<i>NOTES</i>		
Non-current assets			
Property, plant and equipment		2,779,039	2,241,421
Right-of-use assets		177,516	196,624
Investment properties		7,961,643	7,992,128
Interests in associates		226,405	237,007
Interests in joint ventures		66,057	66,045
Financial assets at fair value through profit or loss		104,280	107,227
Deposit paid for property, plant and equipment		54,739	88,585
Long-term assets		25,485	24,854
		11,395,164	10,953,891
Current assets			
Inventories		639,617	556,372
Trade and other receivables	9	1,280,559	1,200,250
Amount due from a related party		1,856	1,358
Financial assets at fair value through profit or loss		2,142	1,447
Pledged bank deposits		45,937	39,110
Restricted bank deposits		32,374	31,756
Short-term bank deposits		290,672	342,584
Cash and cash equivalents		1,120,409	1,154,546
		3,413,566	3,327,423
Current liabilities			
Trade and other payables	10	1,586,128	1,307,921
Contract liabilities		49,159	67,145
Lease liabilities		38,992	36,761
Bank borrowings		162,676	164,251
Amount due to a joint venture		66,087	64,087
Taxation payable		53,079	9,017
		1,956,121	1,649,182
Net current assets		1,457,445	1,678,241
Total assets less current liabilities		12,852,609	12,632,132

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)

AT 30 JUNE 2025

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Non-current liabilities		
Lease liabilities	52,042	68,720
Bank borrowings	355,372	185,574
Loan from a major shareholder	109,409	106,270
Loan from a related party	1,013,129	1,057,386
Deferred taxation	2,041,665	2,097,893
	<u>3,571,617</u>	<u>3,515,843</u>
	<u>9,280,992</u>	<u>9,116,289</u>
Capital and reserves		
Share capital	1,154,511	1,154,511
Reserves	6,151,186	5,999,875
	<u>7,305,697</u>	<u>7,154,386</u>
Equity attributable to owners of the Company	7,305,697	7,154,386
Non-controlling interests	1,975,295	1,961,903
	<u>9,280,992</u>	<u>9,116,289</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The interim financial information have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2024 that is included in these interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

The interim financial information have been prepared under the historical cost basis except for certain investment properties and financial assets at fair value through profit or loss (“FVTPL”), which are measured at fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) Accounting Standards, the accounting policies and methods of computation used in the interim financial information for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Application of new amendments to HKFRSs Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRSs Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual periods beginning on 1 January 2025 for the preparation of the Group’s interim financial information:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to HKFRSs 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 interim financial information.

3. REVENUE AND SEGMENT INFORMATION

The Group determines its operating and reportable segments based on the internal reports reviewed by the President, the chief operating decision maker (“CODM”) of the Group, that are used to make strategic decisions.

Specifically, there are 7 reportable segments in 2025, namely Hi-Tech Manufacturing Business (including plastic products, liquid crystal display, printed circuit boards, intelligent chargers, intelligent power modules and industrial property investment) and Aerospace Service (including property investment in Shenzhen Aerospace Science & Technology Plaza) which represent the major industries in which the Group is engaged.

In addition to the above reportable segments, other operating segments include property investments and management in properties other than those included in the above reportable segments and provision for other services. None of these segments met the quantitative thresholds for the reportable segments in both current and prior period. Accordingly, these were grouped in “Other Business”.

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

For the six months ended 30 June 2025

	Revenue			Segment results HK\$'000
	External sales HK\$'000	Inter-segment sales HK\$'000	Total HK\$'000	
Hi-Tech Manufacturing Business				
Plastic products	956,375	19,816	976,191	51,978
Liquid crystal display	292,770	27,030	319,800	19,607
Printed circuit boards	508,546	–	508,546	10,145
Intelligent chargers	132,473	756	133,229	(2,835)
Intelligent power modules	31,207	–	31,207	(10,318)
Industrial property investment	5,197	15,244	20,441	(7,278)
	<u>1,926,568</u>	<u>62,846</u>	<u>1,989,414</u>	<u>61,299</u>
Aerospace Service				
Property investment in Shenzhen Aerospace Science & Technology Plaza	94,129	2,702	96,831	(187,972)
Reportable segments total	2,020,697	65,548	2,086,245	(126,673)
Elimination	–	(65,548)	(65,548)	–
Other Business	2,744	–	2,744	(2,368)
	<u>2,023,441</u>	<u>–</u>	<u>2,023,441</u>	<u>(129,041)</u>
Unallocated corporate income				12,906
Unallocated corporate expenses				(33,114)
Unallocated gains and losses				12,536
Share of results of associates				(17,172)
Share of results of joint ventures				12
Finance costs				<u>(21,972)</u>
Loss before taxation				<u><u>(175,845)</u></u>

For the six months ended 30 June 2024

	Revenue			Segment results HK\$'000
	External sales HK\$'000	Inter-segment sales HK\$'000	Total HK\$'000	
Hi-Tech Manufacturing Business				
Plastic products	794,838	15,689	810,527	36,832
Liquid crystal display	323,594	–	323,594	29,015
Printed circuit boards	456,418	–	456,418	19,335
Intelligent chargers	137,580	269	137,849	(1,872)
Intelligent power modules	7,764	–	7,764	(13,676)
Industrial property investment	5,161	13,049	18,210	(9,946)
	<u>1,725,355</u>	<u>29,007</u>	<u>1,754,362</u>	<u>59,688</u>
Aerospace Service				
Property investment in Shenzhen				
Aerospace Science & Technology Plaza	<u>95,585</u>	<u>48</u>	<u>95,633</u>	<u>(127,053)</u>
Reportable segments total	1,820,940	29,055	1,849,995	(67,365)
Elimination	–	(29,055)	(29,055)	–
Other Business	<u>3,816</u>	<u>–</u>	<u>3,816</u>	<u>(295)</u>
	<u>1,824,756</u>	<u>–</u>	<u>1,824,756</u>	<u>(67,660)</u>
Unallocated corporate income				13,660
Unallocated corporate expenses				(35,363)
Unallocated gains and losses				(31,940)
Share of results of associates				20,414
Share of results of joint ventures				173
Finance costs				<u>(26,512)</u>
Loss before taxation				<u>(127,228)</u>

Segment results represent the profit earned/loss incurred by each segment without allocation of interest income, share of results of joint ventures and associates, interest expenses, certain impairment loss under expected credit losses (“ECL”), unallocated gains and losses (including unallocated exchange gains (losses) and changes in fair value of financial assets at fair value through profit or loss), and other unallocated corporate income and corporate expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at cost-plus basis.

4. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

Six months ended	
30 June	30 June
2025	2024
HK\$'000	HK\$'000

The Group's other income comprises:

Bank interest income	12,579	13,410
Sales of scrap materials	23,812	12,752

The Group's other gains and losses, net, mainly comprise:

(Losses)/gains on disposal of property, plant and equipment	(200)	656
Net gains/(losses) from changes in fair value of financial assets at fair value through profit or loss	10,471	(27,686)
Net exchange (losses)/gains	(12,443)	4,827

5. LOSS BEFORE TAXATION

Six months ended	
30 June	30 June
2025	2024
HK\$'000	HK\$'000

Loss before taxation has been arrived at after charging:

Depreciation of property, plant and equipment	109,199	118,935
Depreciation of right-of-use assets	24,931	19,144

6. TAXATION

Six months ended	
30 June	30 June
2025	2024
HK\$'000	HK\$'000

Current tax		
Hong Kong Profits Tax	2,048	2,154
People's Republic of China ("PRC") Enterprise Income Tax	9,524	6,040
	11,572	8,194
Deferred tax credit	(101,641)	(76,329)
	(90,069)	(68,135)

Hong Kong Profits Tax and Enterprise Income Tax of the PRC have been calculated at 16.5% and 25%, respectively, of the estimated assessable profits for the periods under review other than certain subsidiaries in the mainland China that are entitled to High and New Technology Enterprise status of which the applicable income tax rate is 15%.

7. LOSS PER SHARE

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

	Six months ended	
	30 June	30 June
	2025	2024
	HK\$'000	HK\$'000
Loss		
Loss for the period attributable to owners of the Company		
for the purpose of basic and diluted loss per share	<u>(42,337)</u>	<u>(28,578)</u>
	30 June	30 June
	2025	2024
	'000	'000
Number of shares		
Number of ordinary shares for the purpose of basic and		
diluted loss per share	<u>3,085,022</u>	<u>3,085,022</u>

The computation of diluted loss per share does not assume the conversion of convertible loan notes because the exercise price of the convertible loan notes was higher than the average market price for share for the six months ended 30 June 2025 and 30 June 2024.

8. DIVIDEND

No dividends were paid, declared or proposed during the interim periods. The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 120 days to its trade customers arising from contracts with customers. No credit period was granted to tenants of rental of premises. Receivables are unsecured and interest-free.

The following is an aged analysis of trade receivables arising from contracts with customers, net of allowance for credit losses, presented based on invoice date at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 90 days	1,026,172	912,575
Between 91–180 days	90,126	90,035
Between 181–365 days	–	18,544
	<u>1,116,298</u>	<u>1,021,154</u>

As at 30 June 2025, included in the Group's trade receivables arising from contracts with customers is bills received amounting to HK\$102,940,000 (31 December 2024: HK\$82,489,000) which are held by the Group for future settlement of trade receivables. All bills received by the Group are with a maturity period of less than one year.

The Group's rental income is accrued and recognised on an effective rental basis after taking into account the rent free period and progressive rentals which are recorded as unbilled lease receivables which are accrued rental income that are expected to be realised when the rental payment over the effective rental. Lease receivables are invoiced to tenants on a monthly basis after the rent free period and are due for settlement upon the issuance of invoices.

The following is an aged analysis of billed lease receivables, net of allowance for credit losses, presented based on invoice date which are also past due balances at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 90 days	<u>11,153</u>	<u>5,395</u>

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables based on invoice date at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within 90 days	744,396	619,928
Between 91–180 days	48,845	18,942
	<u>793,241</u>	<u>638,870</u>

CHAIRMAN’S STATEMENT

MARKET REVIEW

In the first half of 2025, the global political and economic landscape continued to exhibit characteristics of multi-polarity and regionalization. Under the framework of “strategic competition with China”, the U.S. advanced adjustments to its trade policy. The European Union strengthened its “de-risking” approach to industrial supply chains policies, while some developing countries deepened cooperation through regional free trade agreements such as the Regional Comprehensive Economic Partnership and the African Continental Free Trade Area. According to data from the International Monetary Fund (IMF), the global economic growth rate was approximately 3.2%. However, weak demand from developed economies and fluctuations in energy prices caused by geopolitical conflicts continue to exert pressure on international trade.

The economy of China demonstrated strong resilience amid a complex external environment, with GDP grew by 5.3% year-on-year, slightly above market expectations, driven by both industrial and service sectors. Consumption saw a moderate recovery under policy stimulus, with total retail sales of consumer goods increasing by 5.0%. However, the growth rate slowed in June, indicating insufficient endogenous momentum. Export performance exceeded expectations, growing by 7.2% year-on-year, primarily benefiting from market diversification strategies. Nonetheless, exports to the U.S. fell by 9.9% due to ongoing tariff tensions. Overall, the economy of China remained stable under policy support, but the lack of internal growth drivers and the dual challenges of external shocks and internal structural contradictions pose significant risks for the second half of the year.

RESULTS

For the six months ended 30 June 2025, the unaudited operating revenue of the Company and its subsidiaries was HK\$2,023,441,000, representing an increase of 10.89% compared to HK\$1,824,756,000 for the same period in 2024. The net loss for the period was HK\$85,776,000, an increase of 45.15% compared to the net loss of HK\$59,093,000 for the same period in 2024. The loss attributable to owners of the Company for the period was HK\$42,337,000, compared to the loss attributable to owners of the Company of HK\$28,578,000 for the same period in 2024. The basic loss per share attributable to owners of the Company for the period was HK1.37 cents (first half of 2024: basic loss per share of HK0.93 cents). The loss for the period was primarily due to the decline in fair value of the Company’s investment property, Shenzhen Aerospace Science & Technology Plaza.

Taking into account the capital requirements for future development needs, the Board resolved not to distribute an interim dividend for 2025 (2024 interim dividend: nil).

BUSINESS REVIEW

In the first half of 2025, the ongoing tariff tensions between China and the U.S., along with intensifying domestic competition, placed significant pressure on the hi-tech manufacturing business of the Company. The Board and management are collaborating to conduct in-depth research on market trends, analyze the strengths of the Company, and implement multifaceted measures to seek breakthroughs. The hi-tech manufacturing business has focused on targeted R&D for potential clients, expanding its customer base in emerging industries such as low-altitude economy, artificial intelligence, and high-end medical technology to identify new sources of revenue growth. To mitigate the impact of tariffs and exchange rate fluctuations on procurement imports and product exports, the hi-tech manufacturing business continued to optimize its customer service system. It placed greater emphasis on customer segments that closely align with strategic goals and offer significant collaborative value, while employing various strategies to reduce production costs and currency exchange risks to maintain profitability. During the period, the hi-tech manufacturing business achieved satisfactory results, with both revenue and profits showing improvement.

At the same time, the production capacity of the hi-tech manufacturing business continued to expand. The civil construction for the integrated circuit packaging substrate facility of Nantong Hong Yuen Circuit Technology Co., Limited* (南通康源电路科技有限公司) (“Nantong Hong Yuen”) was completed, and the construction of production lines is progressing in an orderly manner. In the first half of 2025, small batch trial operations began. The intelligent power modules (IPM) packaging business officially commenced production at the beginning of the year, with some products achieving domestic substitution. Leveraging demand from Chinese enterprises setting up factories in Vietnam, Chee Yuen Electronic Technology (Vietnam) Co., Ltd.* (志源電子科技(越南)有限公司) has reached full production capacity in its plastic products operations and is planning for a second-phase expansion. These new capacity developments are expected to increase the Company’s overall production capacity by approximately 40%, providing a solid foundation for scaling revenue and improving quality.

In response to the continued increase in supply and persistently high vacancy rates in the Shenzhen’s office leasing market, Shenzhen Aerospace Technology Investment Company Limited* (深圳市航天高科投資管理有限公司) (“Aerospace Technology”) conducted an in-depth research into the commercial environment surrounding Shenzhen Aerospace Science & Technology Plaza, strategically expanded its outreach to potential clients across various business formats. Additionally, the respective litigations of Aerospace Technology with Shenzhen Hangke Houhai Investment Development Company Limited* (深圳市航科前海投資發展有限公司) (“Hangke Houhai”), Shenzhen Jindian Industrial Group Co., Ltd.* (深圳經典實業有限公司) (“Jindian Industrial”) and Shenzhen Huabaorun Management Limited* (深圳市華保潤商業管理有限公司) (“Huabaorun”) have been concluded with final judgments. Aerospace Technology will advance the enforcement of the judgments within the legal framework.

In the first half of the year, the Company continued to enhance internal control efficiency, advance digital infrastructure development, improve compliance management, and implement energy conservation and environmental protection measures. Looking ahead, the Company will continue to cultivate and introduce more high-caliber talents to establish a solid foundation for future development.

PROSPECTS

In the second half of 2025, the global economy is expected to face multiple challenges and opportunities. These include divergent growth among major economies, shifts in monetary policy, uncertainties in trade policy, and rising geopolitical risks — all contributing to a highly uncertain business environment. The Board will closely monitor the market environment facing the Company, focusing on the development of existing core businesses and new ventures. We will continue to unite all employees with unwavering confidence and determination, striving to achieve high-quality development for CASIL.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS PERFORMANCE

The unaudited revenue of the Company and the subsidiaries for the six months ended 30 June 2025 was HK\$2,023,441,000, representing an increase of 10.89% as compared with that of HK\$1,824,756,000 for the same period in 2024. Net loss for the period was HK\$85,776,000, as compared to the net loss of HK\$59,093,000 for the same period of 2024, representing an increase in loss for the period.

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Loss attributable to owners of the Company for the period was HK\$42,337,000, compared to a loss attributable to owners of the Company of HK\$28,578,000 for the same period in 2024.

The continued downturn in the property market resulted in a fair value loss on investment properties of HK\$255,524,000 for the period, representing an increase of HK\$55,067,000 compared to the same period in 2024, which led to a further expansion of loss for the period.

Based on the issued share capital of 3,085,021,882 shares during the period, the basic loss per share was HK1.37 cents, compared to the basic loss per share of HK0.93 cents for the same period in 2024.

DIVIDENDS

The Board resolved not to declare an interim dividend for 2025 (2024 interim dividend: nil).

The Board did not recommend the payment of final dividend for 2024.

RESULTS OF CORE BUSINESSES

The Company and the subsidiaries are principally engaged in the research and development, design, professional production, sales and services of the hi-tech manufacturing business such as plastic products, electronic products, power products and semiconductor products, as well as the property management business of Shenzhen Aerospace Science & Technology Plaza.

The hi-tech manufacturing business is the major cornerstone of the Company's revenue and the principal source of the Company's profit and cash flow, while the property management business of Shenzhen Aerospace Science & Technology Plaza also generates rental and management fee income for the Company. The Company will continue to identify and develop new business opportunities, and thereby creating value for shareholders.

Hi-tech manufacturing

The revenue of the hi-tech manufacturing business for the six months ended 30 June 2025 was HK\$1,926,568,000, representing an increase of 11.66% compared to the same period in 2024. The segment profit was HK\$61,299,000, representing an increase of 2.70% compared to the same period in 2024. The revenues and results of the hi-tech manufacturing business are set out below:

	Turnover (HK\$'000)			Operating Profit/(Loss) (HK\$'000)		
	First half of 2025	First half of 2024	Changes (%)	First half of 2025	First half of 2024	Changes (%)
Plastic Products	956,375	794,838	20.32	51,978	36,832	41.12
Printed Circuit Boards	508,546	456,418	11.42	10,145	19,335	(47.53)
Intelligent Chargers	132,473	137,580	(3.71)	(2,835)	(1,872)	51.44
Liquid Crystal Display	292,770	323,594	(9.53)	19,607	29,015	(32.42)
Intelligent Power Modules	31,207	7,764	301.94	(10,318)	(13,676)	(24.55)
Industrial Property Investment	5,197	5,161	0.70	(7,278)	(9,946)	(26.82)
Total	1,926,568	1,725,355	11.66	61,299	59,688	2.70

In the first half of 2025, tightening trade policies placed dual pressure on business. Tariff hikes drove up the import costs of key raw materials, resulting in delayed order fulfillment and profit volatility. At the same time, overseas supply chains were impacted by tariffs, causing unstable supply and chaotic production scheduling, creating a dual challenge of rising costs and supply uncertainty. On another front, fluctuations in trade policies intensified export uncertainties: unresolved tariffs led customers to adopt a wait-and-see approach, extending order cycles and halting new projects, thereby threatening sustainable development. The trend of regionalized supply chain relocation among clients accelerated, making low-tech products susceptible to replacement by goods from low-tariff regions, thereby weakening both market competitiveness and customer loyalty. Compounded by weakening demand in the U.S. market and policy fluctuations, businesses faced a triple pressure on exports: order attrition, technological displacement, and sluggish demand.

During the period, revenue from plastic products business increased by 20.32% compared to the same period last year, driving overall growth of operating profit in the hi-tech manufacturing segment. The plastic products business saw steady growth in orders from clients in emerging industry such as the low-altitude economy. The Company actively pursued targeted R&D initiatives aimed at potential clients in these emerging industries, with the goal of gradually focusing on high-value clients whose strategic objectives are significantly aligned with ours. Meanwhile, Chee Yuen in Vietnam leveraged the opportunities presented by southward shift of the supply chain, continuously improving its technological capabilities and management efficiency. By selectively engaging high-quality clients and effectively releasing production capacity, it achieved both sales and profit growth, establishing itself as a profit center for the plastic products business.

The overall sales of the printed circuit boards (PCB) business remained stable, with revenue increasing by 11.42% compared to the same period in 2024, primarily driven by strong growth in optoelectronic modules and domestic substrate business. However, the dual impact of tariff tensions between the U.S. and China and exchange rate fluctuations significantly compressed profit margins due to higher costs of imported procurement and foreign exchange losses. During the period, the printed circuit boards (PCB) business recorded an operating profit of approximately HK\$10,145,000, falling short of expectations and representing a decrease of 47.53% compared to the same period last year.

The intelligent chargers business was affected by delays in customer shipment plans due to fluctuations in the U.S. tariff policies, resulting in a slight revenue decline of 3.71% in the first half of 2025 compared to the same period last year. Although the gross profit margin increased by about 3 percentage points due to the reduction in the proportion of traditional low-gross-profit products, the loss still increased due to the impact of exchange rate fluctuations. The liquid crystal display business faced intense market competition, with revenue slightly declining compared to the same period last year. The intelligent power modules (IPM) business focused on key clients, with products transiting into mass production. Due to lower gross margins and foreign exchange losses, operating profits fell by 32.42% compared to the same period in 2024. Through process enhancements and the adoption of self-developed equipment, the average yield rate reached 98.2% in the first half of 2025, an increase of 0.6 percentage points compared to the last year. The optimization of product structure helped reduced the proportion of material costs, and with the production line approaching full capacity, the business is expected to gradually achieve profitability.

The construction of Phase I of Nantong Hong Yuen facility was completed in the first half of 2025, with a total building area of approximately 132,500 square meters. The project will introduce nearly 400 units/sets of substrate processing equipment, along with over 70 units/sets of environmental protection and power support systems. Once fully operational, the production capacity for high-end integrated circuit packaging substrates and high-density printed circuit boards is expected to be double. This expansion is expected to position the Company among the top three in the domestic substrate industry, further advancing the domestic substitution and independent controllability of China's semiconductor industry. Currently, Phase I of Nantong Hong Yuen facility has commenced small-scale trial production, with stable operations underway.

During the period, the AI-powered visual inspection software developed by the Intelligent Research Institute was successfully applied to PCB product inspection and is operating stably. In parallel, a new series of visual inspection equipment jointly developed with the factory has been deployed on internal production lines. Progress has also been made in leveraging DeepSeek to enhance operational and business management, The Institute is currently formulating the "15th Five-Year" plan for digital transformation in manufacturing, driven by artificial intelligence.

The R&D line for 5G millimeter-wave filters is operating stably. Currently, collaboration is underway with companies in the instrumentation industry to design and produce high-performance filters based on MEFAB process. At the same time, efforts are being made to explore applications of 5G millimeter-wave filters in low-altitude fields, with continued advancement towards industrialization.

In the first half of 2025, revenue performance from various projects in the hi-tech manufacturing business was strong. However, due to tariff tensions between the U.S. and China, market competition, and various pressures arising from different stages of corporate operations, profit level of each business fluctuated significantly compared to the same period last year. Key priorities for the second half of 2025 will include expanding market reach, adjusting product structures, reducing product costs, mitigating losses from exchange rate fluctuations, and accelerating the R&D and industrialization of new technologies.

Shenzhen Aerospace Science & Technology Plaza

In the first half of 2025, Aerospace Technology and its wholly-owned subsidiary, Shenzhen Aerospace Technology Property Management Company Limited* (深圳市航天高科物業管理有限公司) (“Aerospace Property Management”), which is responsible for the property management of Shenzhen Aerospace Science & Technology Plaza, recorded a total revenue of HK\$94,129,000 (first half of 2024: HK\$95,585,000) and a segment loss of HK\$187,972,000 (first half of 2024: HK\$127,053,000), mainly attributable to the loss arising from decrease in fair value of investment properties. As at 30 June 2025, Shenzhen Aerospace Science & Technology Plaza was valued at approximately RMB7,299,000,000 (31 December 2024: RMB7,540,000,000).

As of 30 June 2025, the occupancy rate of Shenzhen Aerospace Science & Technology Plaza was approximately 63.63% for the commercial portion (31 December 2024: 65.59%) and 44.79% for the office portion (31 December 2024: 47.50%).

As of 30 June 2025, the respective litigations of Aerospace Technology with Hangke Houhai, Jindian Industrial and Huabaorun have been concluded with final judgments. In respect of the claims between Aerospace Technology and Hangke Houhai, the Second-instance Judgments have become effective in offsetting the credit liabilities of both parties, and the claims in the First, Second, Third, Fourth and Sixth Hangke Houhai Litigations could be settled at a net basis. It is estimated that Hangke Houhai will be required to pay approximately RMB44,500,000 to Aerospace Technology (calculated as of 4 September 2024, and subject to execution conditions). For the Fifth Hangke Houhai Litigation (Aerospace Technology’s claim against Jindian Industrial, a shareholder of Hangke Houhai, in relation to the joint and several liability under the guarantee contract), it is expected Jindian Industrial will be liable for joint and several liabilities of up to approximately RMB22,250,000. In respect of the litigations of Aerospace Technology and its subsidiary, Aerospace Property Management, respectively, against Huabaorun, it is estimated that Huabaorun will be required to pay an aggregate amount of approximately RMB68,600,000 to Aerospace Technology and Aerospace Property Management (calculated as of 19 November 2024, and subject to execution conditions). For details, please refer to the announcements of the Company dated 12 May 2022, 14 June 2022, 5 July 2022, 30 September 2022, 7 November 2022, 14 February 2023, 24 March 2023, 11 July 2023, 14 July 2023, 25 August 2023, 14 September 2023, 18 March 2024, 26 March 2024, 7 June 2024, 27 August 2024, 4 September 2024, 21 October 2024 and 20 November 2024, 27 March 2025 and 5 June 2025 respectively.

In relation to various litigations, Aerospace Technology has proactively advocated and defended its rights in accordance with applicable laws. It has frozen and preserved the assets of Hangke Houhai, Huabaorun, and Jindian Industrial during the litigation period. Following the final court rulings, Aerospace Technology has filed for enforcement and applied for measures such as restrictions on high-value consumption and outbound travel for their legal representatives and actual controllers. As of 30 June 2025, apart from receiving RMB55,000 in enforcement funds from Hangke Houhai, neither Hangke Houhai nor Huabaorun has fulfilled their payment obligations to Aerospace Technology as mandated by the court's final judgments. Aerospace Technology remains committed to advancing the enforcement process to the fullest within the legal framework.

In the second half of 2025, Aerospace Technology will continue to carry out self-managed operation, expand its tenant base and introduce enterprises with a certain scale and different business formats to settle in. Considering the current leasing situation for offices space in Shenzhen, the property market is expected to face ongoing challenges.

Other Business

RAYITEK Hi-Tech Film Company Ltd., Shenzhen (深圳瑞華泰薄膜科技股份有限公司) (“Rayitek”), an associate company in which the Company indirectly holds 23.38% interest through its direct wholly-owned subsidiary, CASIL New Century Technology Development (Shenzhen) Company Limited* (航科新世紀科技發展(深圳)有限公司), did not declare dividends during the period (2024: nil).

ASSETS

<i>(HK\$'000)</i>	30 June 2025	31 December 2024	Changes (%)
Non-Current Assets	11,395,164	10,953,891	4.03
Current Assets	3,413,566	3,327,423	2.59
Total Assets	14,808,730	14,281,314	3.69

The increase in non-current assets was mainly due to the acquisition of property, plant and equipment, as well as the increase in Hong Kong dollar equivalent arising from the conversion of assets denominated in Renminbi at the balance sheet date, while the increase in current assets was due to the increase in inventory and accounts receivable.

The equity attributable to owners of the Company was HK\$7,305,697,000, representing an increase of 2.11% as compared with that of HK\$7,154,386,000 as at the year end of 2024.

The equity attributable to owners of the Company for the period increased as compared with the end of last year, mainly due to an increase in exchange reserves caused by the appreciation of the RMB exchange rate during the period. Based on the issued share capital of 3,085,021,882 shares during the period, the net assets per share attributable to owners of the Company was HK\$2.37.

As at 30 June 2025, a cash deposit of HK\$45,937,000 and bills receivable of HK\$67,799,000 of the Company and the subsidiaries had been pledged to banks to obtain credit facilities (31 December 2024: HK\$39,110,000 and HK\$82,489,000, respectively). Property right certificates at an approximate value of RMB1,902,504,000 and RMB171,000,000 of Shenzhen Aerospace Science & Technology Plaza were mortgaged by Aerospace Technology to Aerospace Science & Technology Finance Company Limited* (航天科技財務有限責任公司) and bank respectively so as to obtain a 12-year term loan facility in the amount of RMB1,300,000,000 and a 10-year bank loan in the amount of RMB100,000,000. Land use right and buildings with a book value of approximately RMB400,013,000 were pledged by Nantong Hong Yuen to certain banks to secure an eight-year bank loan facility of RMB1,000,000,000. Please refer to the announcement of the Company dated 17 January 2025 for details.

LIABILITIES

<i>(HK\$'000)</i>	30 June 2025	31 December 2024	Changes (%)
Non-Current Liabilities	3,571,617	3,515,843	1.59
Current Liabilities	1,956,121	1,649,182	18.61
Total Liabilities	5,527,738	5,165,025	7.02

The increase in non-current liabilities was mainly due to the new bank loan raised during the period and the increase in the conversion of liabilities denominated in Renminbi into Hong Kong dollar equivalent at the balance sheet date; the increase in current liabilities was mainly due to the increase in trade payables. As at 30 June 2025, the Company and the subsidiaries had bank borrowings and other borrowings amounting to HK\$518,048,000 and HK\$1,122,538,000, respectively (31 December 2024: HK\$349,825,000 and HK\$1,163,656,000, respectively).

OPERATING EXPENSES

The administrative expenses of the Company and the subsidiaries in the first half of 2025 amounted to HK\$216,377,000, representing a 9.10% increase compared to approximately HK\$198,333,000 for the same period in 2024; the finance costs amounted to HK\$21,972,000, representing a 17.12% decrease compared to approximately HK\$26,512,000 for the same period in 2024.

CONTINGENT LIABILITIES

As at 30 June 2025, the Company and the subsidiaries did not have material contingent liabilities (31 December 2024: nil).

FINANCIAL RATIOS

	First half of 2025	First half of 2024
Gross Profit Margin	19.82%	20.18%
Return on Net Assets	(0.92%)	(0.64%)
	30 June 2025	31 December 2024
Assets-Liabilities Ratio	37.33%	36.17%
Current Ratio	1.75	2.02
Quick Ratio	1.40	1.66

LIQUIDITY

The source of funds of the Company and the subsidiaries mainly relies on internal resources and banking and financial institution facilities. As at 30 June 2025, the cash and cash equivalents and short-term bank deposits amounted to HK\$1,411,081,000 (31 December 2024: HK\$1,497,130,000), with the main currencies being Renminbi, US dollars, and Hong Kong dollars.

CAPITAL EXPENDITURE

As at 30 June 2025, the capital commitments of the Company and the subsidiaries contracted for but not provided in the condensed consolidated financial statements was approximately HK\$373,771,000 (31 December 2024: HK\$437,360,000), mainly related to the capital expenditure for the acquisition of fixed assets.

FINANCIAL RISKS

The Company and the subsidiaries review the cash flow and financial position periodically and do not presently engage into any financial instruments or derivatives to hedge the exchange and the interest rate risks.

HUMAN RESOURCES AND REMUNERATION POLICIES

The remuneration policy of the Company and the subsidiaries is determined based on employee's qualifications, experience and job performance, with reference to the current market situation. The Company and the subsidiaries will continue to enhance the human resources management and strictly implement a performance-based appraisal system, in order to motivate employees to make continuous improvement in their individual performance and contributions to the Company.

As at 30 June 2025, the Company and the subsidiaries had a total of 7,766 employees based in the mainland China, Hong Kong and Vietnam.

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

There had been no purchase, sale or redemption of the Company's listed securities by the Company or the subsidiaries during the first half of 2025.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for 2025 (2024 interim dividend: nil).

CORPORATE GOVERNANCE

For the six months ended 30 June 2025, the Company complied throughout the period with the provisions of the *Corporate Governance Code* as set out in Appendix C1 of the Listing Rules.

LITIGATION AND ARBITRATION

As at 30 June 2024, saved as disclosed in the announcements of the Company dated 27 March 2025 and 5 June 2025 in relation to the litigation judgments and progress of the litigations between Aerospace Technology, a 60% indirect owned subsidiary of the Company, and its wholly owned subsidiary, Aerospace Property Management, and Hangke Houhai and Huabaorun, respectively; and the announcement of the Company dated 17 December 2024 in relation to the arbitration concerning CASIL Semiconductor Limited ("CASIL Semiconductor"), a wholly-owned subsidiary of the Company and Metro (Suzhou) Technologies Co., Limited, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors were aware of, no litigation or arbitration or claim of material importance was pending or threatened by or against any member of the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

The Company had adopted the *Model Code for Securities Transactions by Directors of Listed Issuers* as set out in Appendix C3 of the Listing Rules and *The Code and Enforcement Details for Securities Transactions by Directors* of the Company as the required standard for the Directors of the Company to trade the securities of the Company. Having made specific enquiry to all Directors of the Company and in accordance with information provided, all Directors have complied with the provisions under the Model Code during the six months ended 30 June 2025.

As at 30 June 2025, none of the directors, chief executives or their associates have any beneficial or non-beneficial interests or short positions in the share capital, warrants and options of the Company or its subsidiaries or any of its associated corporations which is required to be recorded in the Register of Directors' Interests pursuant to Part XV of the Securities & Futures Ordinance or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the *Model Code for Securities Transactions by Directors of Listed Issuers* and *The Code Enforcement Details for Securities Transactions by Directors* of the Company.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company comprises two Independent Non-Executive Directors, including Mr Luo Zhenbang (Chairman), Ms Chen Jingru and a Non-Executive Director, Mr Peng Jianguo. The major responsibilities of the Audit Committee include serving as a focal point for communication between the Directors and external auditors in reviewing the Company's financial information as well as overseeing the Company's financial reporting system, risk management and internal control procedures.

The Audit Committee of the Company has reviewed, discussed and approved the unaudited interim financial information for the six months ended 30 June 2025 that have been reviewed by the auditor, PKF Hong Kong Limited.

STATEMENT OF COMPLIANCE

The financial information relating to the year ended 31 December 2024 that is included in the 2025 interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Company (www.casil-group.com) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The 2025 Interim Report will be available on the websites of the Company and HKExnews and dispatched to the shareholders of the Company who requested printed copies by the end of September 2025.

APPRECIATION

Mr Hua Chongzhi resigned as a Non-Executive Director of the Company on 14 February 2025 due to retirement, with Mr Liu Yong assuming his responsibilities. On behalf of the Board, I would like to express our sincere respect and gratitude to Mr Hua Chongzhi for his contributions to the Company during his tenure, and extend a warm welcome to Mr Liu Yong for joining the Board.

On behalf of the Board, I would like to express our sincere gratitude to the Company's clients, business partners, shareholders, and all employees. Guided by the core values of our corporate culture: "Patriotic, Innovative, Integrity, Harmony, and Conscientiousness", we will continue to move forward, striving for outstanding results and creating greater value for all shareholders.

By order of the Board
Wang Hui
Chairman and Executive Director

Hong Kong, 27 August 2025

As at the date of this announcement, the Board of Directors of the Company comprises:

<i>Executive Directors</i>	<i>Non-Executive Directors</i>	<i>Independent Non-Executive Directors</i>
Mr Wang Hui (<i>Chairman</i>)	Mr Teng Fangqian	Mr Luo Zhenbang
Mr Song Shuqing (<i>President</i>)	Mr Peng Jianguo	Ms Chen Jingru
	Mr Liu Yong	Ms Xue Lan

* *These PRC entities do not have English names, the English names set out herein are for identification purpose only.*