Fortior Technology (Shenzhen) Co., Ltd.
峰岹科技(深圳)股份有限公司

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

(Stock code: 1304)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

HIGHLIGHT

1. The Group's revenue for the six months ended 30 June 2025 was approximately RMB375.0 million, representing an increase of 32.8% from approximately RMB282.3 million in the corresponding period in 2024.

2. The Group's gross profit for the six months ended 30 June 2025 was approximately RMB194.6 million, representing an increase of 31.1% from approximately RMB148.4 million in the corresponding period in 2024.

3. The Group's profit for the six months ended 30 June 2025 was approximately RMB116.5 million, representing a decrease of 4.5% from approximately RMB122.0 million in the corresponding period in 2024, which is primarily due to the implementation of the 2024 restricted share incentive plan by the Company in November 2024. The share-based payments accrued during the Reporting Period increased by approximately RMB32.0 million year-on-year. Excluding the impact of such factor, the profit of the Company and the Group increased by 18.7% year-on-year.

4. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

RESULTS

The board (the "**Board**") of directors (the "**Director(s)**") of Fortior Technology (Shenzhen) Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**" or "**we**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with comparative figures for the same period last year as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	**2025 (unaudited) *RMB'000***	2024 (unaudited) *RMB'000*
REVENUE	*4*	**375,040**	282,324
Cost of sales		**(180,448)**	(133,931)
Gross profit		**194,592**	148,393
Other income and gains	*5*	**39,183**	38,737
Selling and distribution expenses		**(17,012)**	(8,316)
Administrative expenses		**(21,890)**	(13,158)
Research and development costs		**(70,710)**	(40,194)
Impairment losses on financial assets, net		**(205)**	(88)
Other expenses		**(1,830)**	(938)
Finance costs		**(325)**	(335)
Share of losses of an associate		**(2)**	–
PROFIT BEFORE TAX	*6*	**121,801**	124,101
Income tax expense	*7*	**(5,290)**	(2,080)
PROFIT FOR THE PERIOD		**116,511**	122,021

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the six months ended 30 June 2025

	Note	**2025 (unaudited)** *RMB'000*	2024 (unaudited) *RMB'000*
Attributable to:			
Owners of the parent		**116,511**	122,021
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic			
– for profit for the period		**RMB1.26**	RMB1.32
Diluted			
– for profit for the period		**RMB1.25**	RMB1.32

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)
For the six months ended 30 June 2025

	2025 **(unaudited)** ***RMB'000***	2024 (unaudited) *RMB'000*
PROFIT FOR THE PERIOD	**116,511**	122,021
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	**21**	125
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**21**	125
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(189)**	(25)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(189)**	(25)
Other comprehensive (loss)/income for the period, net of tax	**(168)**	100
Total comprehensive income for the period, net of tax	**116,343**	122,121
Attributable to:		
Owners of the parent	**116,343**	122,121

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025 (unaudited)** *RMB'000*	31 December 2024 (audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**149,577**	147,636
Right-of-use assets		**13,909**	16,150
Intangible assets		**10,233**	9,054
Investment in an associate	*11*	**10,798**	–
Equity investment designated at fair value through other comprehensive income		**506**	716
Financial assets at fair value through profit or loss	*17*	**8,307**	–
Debt investment at fair value through other comprehensive income	*12*	**546,727**	794,344
Deferred tax assets		**26,867**	15,603
Other non-current assets	*13*	**38,003**	29,567
Total non-current assets		**804,927**	1,013,070
CURRENT ASSETS			
Inventories	*14*	**167,368**	160,483
Trade receivables	*15*	**12,544**	5,638
Prepayments, deposits and other receivables	*16*	**72,122**	49,998
Financial assets at fair value through profit or loss	*17*	**914,434**	824,396
Debt investments at fair value through other comprehensive income	*12*	**513,861**	181,818
Time deposits		**126,025**	116,493
Cash and cash equivalents		**130,819**	297,355
Total current assets		**1,937,173**	1,636,181

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2025

	Notes	**30 June 2025 (unaudited)** ***RMB'000***	31 December 2024 (audited) *RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*18*	**42,321**	7,325
Contract liabilities	*20*	**1,722**	1,275
Other payables and accruals	*19*	**34,150**	66,461
Lease liabilities		**4,383**	3,640
Tax payable		**5,729**	253
Total current liabilities		**88,305**	78,954
NET CURRENT ASSETS		**1,848,868**	1,557,227
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,653,795**	2,570,297

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2025

	Notes	**30 June 2025 (unaudited)** ***RMB'000***	31 December 2024 (audited) *RMB'000*
NON-CURRENT LIABILITIES			
Other payables and accruals	*19*	**836**	–
Lease liabilities		**10,188**	12,434
Deferred income		**4,285**	4,928
Total non-current liabilities		**15,309**	17,362
Net assets		**2,638,486**	2,552,935
EQUITY			
Equity attributable to owners of the parent			
Share capital	*21*	**92,363**	92,363
Treasury shares		**(193)**	(193)
Reserves		**2,546,316**	2,460,765
Total equity		**2,638,486**	2,552,935

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in People's Republic of China ("**PRC**") on 21 May 2010. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688279) on 20 April 2022. Its H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 9 July 2025 (stock code: 01304). The registered address of the Company is 203, Building 11, Software Park (Phase Ⅱ), 1 Keji Central Road II , Gaoxin Central Zone, Nanshan District, Shenzhen, Guangdong, PRC. The Company is ultimately controlled by Mr. BI CHAO, Mr. BI LEI and Ms. Gao Shuai who are acting in concert.

The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the development and commercialisation of BLDC (Brushless DC) motor control and drive products and solutions.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the historical financial information and should be read in conjunction with the Group's historical financial information for the years ended 31 December 2022, 2023 and 2024, as set out in the accountants' report (the "**Accountants report**") included in prospectus of the Company dated on 30 June 2025 (the "**Prospectus**").

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value.

The unaudited interim condensed consolidated financial information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's historical financial information for the years ended 31 December 2022, 2023 and 2024, except for the adoption of the following amended IFRS Accounting Standard the first time for the Reporting Period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has one reportable operating segment being the segment which principally engages in the development and commercialisation of BLDC (Brushless DC) motor control and drive products and solutions.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Mainland China*	**345,722**	262,818
Other countries/regions**	**29,318**	19,506
	375,040	282,324

The revenue information above is based on the locations of the customers.

* Mainland China represents the People's Republic of China excluding Hong Kong, Macau and Taiwan.

** Other countries/regions primarily include (i) Taiwan, China, (ii) India and (iii) Hong Kong.

(b) Non-current assets

All significant operating assets of the Group are located in Mainland China. Accordingly, no geographical information of non-current assets is presented.

Information about major customers

Revenue derived from a single customer which accounted for 10% or more of the Group's total revenue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**52,210**	39,661
Customer B	**38,889**	28,618

4. REVENUE

Revenue from contracts with customers

(i) Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods		
MCU	**228,095**	174,338
ASIC	**66,878**	42,749
HVIC	**43,210**	42,279
MOSFET	**1,202**	1,005
IPM	**35,282**	21,427
Others	**373**	526
Total revenue from contracts with customers	**375,040**	282,324
Geographical markets		
Mainland China	**345,722**	262,818
Other countries/areas	**29,318**	19,506
Total revenue from contracts with customers	**375,040**	282,324
Timing of revenue recognition		
Goods transferred at a point in time	**375,040**	282,324

(ii) Performance obligations

Sale of products

The performance obligation is satisfied upon delivery and acceptance. The Group grant credit terms to certain customers on a case-by-case basis, and generally grant a limited number of customers credit term of less than 30 days.

5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Other income		
Bank interest income	**3,356**	5,903
Other interest income from debt investments at fair value through other comprehensive income	**13,865**	7,600
Investment income from financial assets at fair value through profit or loss	**6,689**	13,912
Government grants*	**11,317**	9,549
	35,227	36,964
Other gains		
Fair value gains on financial assets at fair value through profit or loss	**3,571**	1,182
Others	**385**	591
	3,956	1,773
	39,183	38,737

* The Group has received certain government grants related to assets and income. Certain of the grants have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories sold*	**180,448**	133,931
Depreciation of property, plant and equipment	**4,317**	1,444
Depreciation of right-of-use assets	**2,241**	1,988
Amortisation of intangible assets **	**2,030**	1,680
Research and development costs	**70,710**	40,194
Lease payments not included in the measurement of lease liabilities	**367**	292
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Salaries, bonuses and other benefits	**41,389**	33,792
Pension scheme contributions, social welfare and other welfare ***	**8,066**	6,215
Equity-settled share-based payments	**33,077**	2,690
	82,532	42,697
Impairment losses of financial assets, net:		
Impairment loss of trade receivables	**214**	84
(Reversal of impairment)/impairment loss of other receivables	**(9)**	4
	205	88
Fair value gains on financial assets at fair value through profit or loss	**(3,571)**	(1,182)
Foreign exchange losses	**1,829**	938
Bank interest income	**(3,356)**	(5,903)
Other interest income from debt investments at fair value through other comprehensive income	**(13,865)**	(7,600)
Government grants	**(11,317)**	(9,549)
Investment income from financial assets at fair value through profit or loss	**(6,689)**	(13,912)
Write-down of inventories to net realisable value *	**1,982**	1,732

* Write-down of inventories to net realisable value is included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

** The amortisation of intangible assets is included in "Selling and distribution expenses", "Administrative expenses", and "Research and development costs" in the interim condensed consolidated statement of profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

For the six months ended 30 June 2025

7. INCOME TAX

The major components of the income tax expense for the period are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax expense		
Mainland China	**11,599**	1,092
Over provision in prior years from the Mainland China	**(1,469)**	–
	10,130	1,092
Deferred tax (credit)/expense		
Mainland China	**(4,817)**	1,406
Elsewhere	**(23)**	(418)
	(4,840)	988
Total tax charge for the period	**5,290**	2,080

8. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Final declared RMB7.8 (2024: RMB6.1) for every 10 shares	**71,893**	56,272

Pursuant to the resolutions of the shareholders of the Company dated 22 April 2025, the Company declared dividends of RMB7.8 (22 May 2024: RMB6.1 per 10 shares) for every 10 shares (excluding A shares as Treasury shares), amounting to a total of approximately RMB71,893,000 (six months ended June 30, 2024: RMB56,272,000).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in basic and diluted earnings per share calculation	**116,511**	122,021

	Six months ended 30 June	
	2025	2024
	(unaudited)	(unaudited)
Number of shares		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation	**92,170,380**	92,304,713
Effect of dilution – weighted average number of ordinary shares:		
Type II restricted shares*	**963,604**	–
Total	**93,133,984**	92,304,713

* Type II restricted shares refer to A shares granted to the participants pursuant to which the participants have the right to subscribe new A shares of the Company upon the satisfaction of certain vesting conditions.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets with a cost of RMB6,259,000 (30 June 2024: RMB2,270,000) and had disposed assets with a net book value of RMB1,000 (30 June 2024: Nil).

11. INVESTMENT IN AN ASSOCIATE

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Share of net assets	**10,798**	–

Particulars of the Group's associate is as follows:

Names	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group 30 June 2025	Principal activities
Zhejiang Sanhua Jingqu Future Technology Co., LTD	Ordinary shares	PRC	36.00%	Motors research and development, manufacture and sales

In February 2025, the Company and Sanhua Holding Group Co., Ltd., an independent third-party jointly established Zhejiang Sanhua Jingqu Future Technology Co., Ltd. (浙江三花精驅未來科技有限公司).

12. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Non-current asset		
Negotiable certificate of deposit	**546,727**	794,344
Current asset		
Negotiable certificate of deposit	**513,861**	181,818

The above certificate deposits are issued by licensed banks in Mainland China. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling.

13. OTHER NON-CURRENT ASSETS

	As at 30 June 2025 *RMB'000* **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Prepayment for outsourced processing fees	**352**	708
Prepayment for purchase of property, plant and equipment	**6,891**	3,242
Cooperative building construction*	**30,760**	25,617
	38,003	29,567

* It represented the payments for the construction costs of the land and the buildings which are jointly owned by the Group and other independent third parties. Pursuant to the Joint Land Bidding Agreement, upon successful acquisition of the target land parcel, all participating parties jointly fund the cooperative development and construction of the project. Each party shares the costs required for the project's full completion and operational commencement based on the agreed proportion. As no independent land use certificates are obtained, the land remains collectively owned and does not meet the definition of an identifiable asset, the allocated construction costs of the land and the buildings borne by the Group are classified as non-current assets and separately disclosed.

14. INVENTORIES

	As at 30 June 2025 *RMB'000* **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Raw materials	**28,537**	56,628
Finished goods	**64,770**	46,460
Outsourced Processing Materials	**74,061**	57,300
Goods in transit	**–**	95
	167,368	160,483

The inventories are net of a write-down of approximately RMB7,360,000 as at 30 June 2025 (31 December 2024: RMB5,800,000).

15. TRADE RECEIVABLES

	As at 30 June 2025 *RMB'000* (unaudited)	As at 31 December 2024 *RMB'000* (audited)
Trade receivables	**12,932**	5,812
Allowance for expected credit losses	**(388)**	(174)
	12,544	5,638

The Group's trading terms with its customers are mainly received in advance, and some customers are on credit. The credit period is generally within 30 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the fact that the Group's trade receivables relate to diversified customers, there is no significant concentration of credit risk. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of 30 June 2025, based on the billing date and net of allowance for expected credit losses, is as follows:

	As at 30 June 2025 *RMB'000* (unaudited)	As at 31 December 2024 *RMB'000* (audited)
Within one year	**12,544**	5,638

The movements in the allowance for expected credit losses of trade receivables are as follows:

	As at 30 June 2025 *RMB'000* (unaudited)	As at 31 December 2024 *RMB'000* (audited)
At the beginning of period/year	**174**	178
Impairment /(reversal of impairment) of losses, net *(note 6)*	**214**	(4)
At the end of period/year	**388**	174

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Prepayments	**13,277**	7,727
Deposits and other receivables*	**2,288**	3,090
VAT to be deducted	**26,286**	27,670
Deferred listing expenses	**30,312**	11,561
	72,163	50,048
Less: Impairment of other receivables **	**(41)**	(50)
	72,122	49,998

* Deposits and other receivables are unsecured, non-interest-bearing and repayable on demand.

** As of 30 June 2025, the impairment of the financial assets included in prepayments, other receivables and other assets were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2025 ***RMB'000*** **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Non-current asset		
Unlisted fund investment, at fair value:		
Shanghai Huake Zhixin Venture Capital Partnership (Limited Partnership)	**8,307**	–
Current asset		
Wealth management products	**29,850**	41,913
Structured deposits	**884,584**	782,483
Subtotal	**914,434**	824,396
Total	**922,741**	824,396

The unlisted fund investment as at 30 June 2025 was classified as financial asset at fair value through profit or loss as it was held for trading.

The wealth management products and the structured deposits were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

18. TRADE AND BILLS PAYABLES

	As at 30 June 2025 ***RMB'000*** **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Bills payable	**21,987**	68
Trade payables	**20,334**	7,257
	42,321	7,325

An ageing analysis of the trade payable as at 30 June 2025, based on the date of goods received from the suppliers, is as follows:

	As at 30 June 2025 ***RMB'000*** **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Within one year	**42,321**	7,325

19. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2025 ***RMB'000*** **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Current liabilities		
Deposits payable	**4,536**	4,832
Payroll payables	**6,826**	37,483
Accruals and other payables	**18,984**	17,855
Instalments payable due within one year	**817**	1,701
Other tax payables	**2,987**	4,590
	34,150	66,461
Non-current liabilities		
Instalments payable for purchase of intangible assets	**836**	–

Instalments payable relates to the purchase of intangible assets which are payable in three instalments over three years. Deposits payable represents the deposits received from the customers to secure the production capacity, which will be returned to the customers when future sales occur. Other than that, other payables included in the above balances are non-interest-bearing.

20. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Sale of products	**1,722**	1,275

Contract liabilities include short-term advances received to deliver products.

21. SHARE CAPITAL

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Registered, issued and fully paid		
A shares	**92,363**	92,363

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (continued)

For the six months ended 30 June 2025

22. COMMITMENTS

The Group had the following capital commitments as at 30 June 2025:

	As at 30 June 2025	As at 31 December 2024
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Contracted, but not provided for:		
Property, plant and equipment	**6,637**	2,562
Cooperative building construction	**59,423**	64,952
	66,060	67,514

23. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Salaries, allowances and benefits in kind	**1,936**	1,895
Pension scheme contributions	**136**	121
Share-based payments	**1,977**	12
	4,049	2,028

Supervisors' emoluments are not included in the above amounts.

24. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at 30 June 2025 are as follows:

	As at 30 June 2025 ***RMB'000*** **(unaudited)**	As at 31 December 2024 *RMB'000* (audited)
Financial assets		
Financial assets at fair value through profit or loss:		
Financial assets at fair value through profit or loss	**922,741**	824,396
Financial assets at fair value through other comprehensive income:		
Debt investments at fair value through other comprehensive income	**1,060,588**	976,162
Equity investments designated at fair value through other comprehensive income	**506**	716
	1,061,094	976,878
At amortised cost:		
Cash and cash equivalents	**130,819**	297,355
Time deposits	**126,025**	116,493
Trade receivables	**12,544**	5,638
Financial assets included in prepayments, deposits and other receivables	**2,247**	3,040
	271,635	422,526
Financial liabilities		
At amortised cost:		
Trade and bills payables	**42,321**	7,325
Financial liabilities included in other payables and accruals	**25,173**	24,388
Lease liabilities	**14,571**	16,074
	82,065	47,787

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of the Group's financial assets or liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, time deposits, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance director reports directly to the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of other payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group invests in the wealth management products and structured deposits and negotiable certificate of deposits issued by banks and other qualified financial institutions in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair value of unlisted fund investment has been estimated with reference to the adjusted net asset value provided by the relevant administrator. The fair values of unlisted equity investment designated at fair value through other comprehensive income has been estimated using an asset-based approach. The directors believe that the estimated fair value resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income and profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025 (unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investment designated at fair value through other comprehensive income	–	–	506	506
Debt investments at fair value through other comprehensive income	–	1,060,588	–	1,060,588
Financial assets at fair value through profit or loss	–	914,434	8,307	922,741
Total	–	1,975,022	8,813	1,983,835

As at 31 December 2024 (audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	–	–	716	716
Debt investments at fair value through other comprehensive income	–	976,162	–	976,162
Financial assets at fair value through profit or loss	–	824,396	–	824,396
Total	–	1,800,558	716	1,801,274

26. EVENTS AFTER THE RELEVANT PERIOD

The H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 9 July 2025 (stock code: 01304) and 18,744,400 H shares were issued. Following the full exercise of the Over-Allotment Option described in the Prospectus on 24 July 2025, the number of H shares issued and listed increased from 18,744,400 to 21,556,000.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

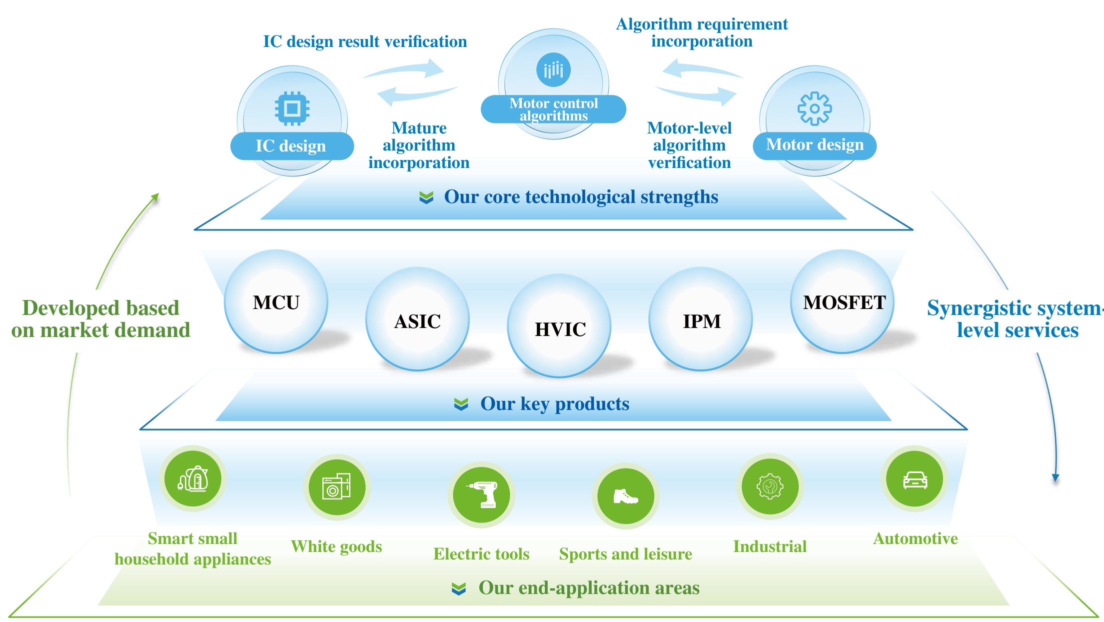
I. BUSINESS OVERVIEW

Principal Business Analysis

(I) During the six months ended 30 June 2025 (the "Reporting Period"), the principal business of Fortior Technology (Shenzhen) Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group" or "we")

The Group is an IC design company dedicated to the design and R&D of BLDC motor control ICs and have established a strong market position within the BLDC motor control and driver chip industry. A BLDC motor is a type of brushless motor driven by electronic commutation, which changes the electromagnetic fields to drive the rotor of the motor. According to Frost & Sullivan, compared with traditional motors, BLDC motors offer advantages such as high efficiency, low power consumption, high control precision and low noise, and are widely used in various applications. Our products are designed to help BLDC motors optimize their performance advantages and achieve highly efficient, low-noise, and high-precision operation, including (i) motor control chips such as MCUs and ASICs, (ii) motor driver chips such as HVICs, (iii) IPMs, and (iv) power devices such as MOSFETs.

The following diagram sets forth our business model:



- We are the first Chinese IC design company that focuses on the design of BLDC motor control ICs; and

- We are the only Chinese company among top ten companies in the same market.

Our main products include MCUs/ASICs, HVICs, MOSFETs, and IPMs, which are the key components of a typical BLDC motor control system. Among them, our MCUs/ASICs, as the motor control chips, receive electrical signals, execute motor control algorithms and generate precise control instructions. Our HVICs serve as driver chips to provide high and low voltage isolation and amplify driving capacity, allowing MCUs/ASICs to drive MOSFETs. Based on the control instructions from the MCUs/ASICs, the MOSFETs, driven by the HVICs, generate specific electromagnetic fields, which drive the rotation of the motor, allowing the BLDC motor to operate efficiently.

During the Reporting Period, the revenue breakdown by business type for the Group was as follows: MCU accounted for 60.9%, ASIC accounted for 17.8%, HVIC accounted for 11.5%, MOSFET accounted for 0.3%, IPM accounted for 9.4%, and other revenue accounted for 0.1%.

Our products are used in BLDC motors that have been widely used in multiple downstream applications, including smart small household appliances, white goods, electric tools, sports and leisure, industrial, and automotive applications. Leveraging our solid R&D capabilities, reliable product quality and cost-efficiency advantages, we have accumulated a broad base of high-quality end customers.

Analysis of the Core Competitiveness/Strengths of the Group

Our R&D efforts focus on three core technological fields, namely (i) IC design, (ii) motor control algorithms, and (iii) motor technology, and we have achieved several competitive technologies in these fields. The combination of our technologies in these three fields forms the foundation of our core competitiveness in the BLDC motor control and driver chip industry.

Our comprehensive achievement of technologies in the three core technological fields include:

IC design	Motor control algorithms	Motor technology
❑ ME core (our proprietary motor control processor core)	❑ Sensorless FOC algorithms	❑ High torque density
❑ Hardware-based algorithm technology	❑ Sensorless high-torque motor startup	❑ Three-phase low-speed motors
❑ Functional integration ability in chip products		❑ Ultra-thin motors

The synergies among our IC design, motor control algorithms, and motor technology allow us to deliver high-quality products that satisfy the needs of our end customers' diverse applications. Guided by the needs of end-use applications and leveraging our deep understanding of motor technology, we translate the specific requirements of end customers for their motors into effective motor control algorithms, which are then implemented through hardware logic circuits at the IC design level.

In terms of IC design:

- We have developed our proprietary ME core and hardware-based motor control algorithms. Additionally, we have successfully developed chip products that integrate other functions. According to Frost & Sullivan, to enhance the reliability and control performance of motor control ICs while reducing the size of motor control systems to accommodate the miniaturization and customization trends in BLDC motors, the industry trend is gradually towards products with greater levels of functional integration. We have achieved a comprehensive product line layout across varying levels of integration, ranging from integrated op-amps and LDOs to integrated HVICs and MOSFETs.

In terms of motor control algorithms:

- We have successfully developed sensorless FOC algorithms, positioning ourselves at the forefront of the R&D of this mainstream control algorithm field. According to Frost & Sullivan, sensorless FOC algorithms can best achieve objectives such as high efficiency, low vibration, low noise and quick response, making it the mainstream trend in BLDC motor control technology for applications such as white goods, smart small household appliances and industrial automation. Our proprietary ME core implements the FOC algorithm through hardware-based algorithms, which is able to complete one round of FOC computation in 6 to 7 microseconds, which is faster than the time required for software-based algorithms and offers faster calculation execution speed. Our sensorless FOC control solution supports the electric cycle up to 270 thousand RPM, higher than the maximum speed achievable with software-based algorithms.

- We have strategically invested in the R&D layout for the current mainstream sensorless algorithms and FOC algorithms and have developed tailored motor control algorithms for various downstream applications. For instance, we have developed sensorless FOC algorithms for smart small household appliances and sensorless high-torque motor startup algorithms for electric tools. These innovations allow our end customers to address industry challenges such as sensorless high-torque motor startup, silent motor operation and ultra-high speed motor rotation. By doing so, we help expand the application of high-performance motors across more diverse uses.

In terms of motor technology:

- With a deep understanding of motor electromagnetic principles, we are able to propose specific motor control methods tailored to the characteristics of our end customers' motors. We are also able to optimize the electromagnetic structure of the motor product in a cost-effective manner to achieve the optimal motor system performance.

Highly reliable products with efficient upgrades, broad application versatility and large-scale commercialization capabilities

Our motor control ICs deliver computational power and control performance with high reliability. Our product portfolio comprehensively covers household, industrial and automotive-grade applications and is widely used in downstream sectors such as smart small household appliances, white goods, electric tools, sports and leisure, industrial and automotive applications. In 2023, we received ISO 26262 functional safety management system certification, marking it a significant milestone in the development of our automotive-grade chips. Our ability to provide system-level services to end customers allows us to quickly identify and respond to changes in downstream market demand and to address specific issues encountered during the application of our products and swiftly respond to these changes and issues by upgrading our products and innovating our technologies.

We have established a comprehensive mechanism for collecting end-customer needs and integrating them into our product development processes. By conducting regular visits to end customers, participating in their product development and organizing technical exchange seminars, we gain deep insight into end customer needs. This feedback is then promptly communicated to our R&D team so that we can continuously optimize and improve our products. Additionally, we have established efficient product development processes, enhancing our responsiveness to end-customer requirements.

With our outstanding product quality, quick responsiveness to end customer needs, innovative motor control algorithms and technical services that address system-level challenges, the application of our IC products has expanded from consumer electronics into industrial and automotive applications, earning wide recognition from end customers, which demonstrates the broad application versatility of our products:

- **Smart Small Household Appliances and White Goods:** Our IC products are widely applied in smart small household appliances such as robotic vacuum cleaners, hair dryers, vacuum cleaners and fans, as well as white goods such as air conditioners, washing machines and refrigerators;

- **Sports and Leisure:** Our IC products are widely applied in outdoor transportations such as electric scooters and self-balancing scooters, as well as products for exercise, such as treadmills, or products such as unmanned aerial vehicles;

- **Industrial:** Our IC products are widely applied in applications such as server cooling, inverters and industrial servo systems; and

- **Automotive:** Our IC products are widely applied in automotive motor control systems, including active grille shutters, seat ventilation, water pumps, oil pumps, water valves, electronic valves and electronic fans.

FUTURE PROSPECTS

Our strategic development goal is to become a leading global supplier of motor control chips and control systems. We adhere to a path of independent innovation in R&D, focusing on the development of motor control chips and control systems. We are committed to providing global end customers with high-performance motor control chips and comprehensive system-level services. We will develop our strategy around this strategic goal, promoting its realisation through technological R&D, downstream application areas, overseas market expansion, and talent cultivation.

(I) Continuous investment in R&D to consolidate and strengthen technological advantages

We intend to continue our in-depth exploration in motor control IC design, motor control algorithms and motor design. We aim to focus on the new demands and changes in applications such as smart small household appliances, white goods, automotive, robots and sensors, and conduct independent R&D. We plan to continuously build our R&D team and invest in R&D activities to consolidate and enhance our technological advantages. We strive to achieve high-performance products through innovative technologies and drive the penetration of our products in downstream applications.

(II) Consolidating our advantages in consumer applications and collaborating with our business partners to seize opportunities in the industry

We will continue our development in consumer markets such as smart small household appliances and white goods, deepening our strategic partnerships with top-tier brand end customers. Together with our peers and amid opportunities and challenges of the motor control IC industry, we aim to consolidate and enhance the competitiveness of our IC products in consumer applications. According to Frost & Sullivan, with the development of artificial intelligence and automation technologies, the application sectors we have deeply cultivated, such as smart small household appliances and white goods, are expected to have broad prospects. The white goods sector, for instance, is characterized by high entry barriers, long verification cycles and high reliability requirements for motor control ICs. We have many years of experience and strategic planning in the white goods sector. We have accumulated a high-quality end customer base consisting of leading brands and have achieved mass production of our products in the white goods sector. As we continue to grow our business in consumer applications, we expect it to continue driving our business and revenue growth.

(III) Strategic deployment in emerging applications such as industrial, automotive and robot sectors

In light of the trend of the fourth industrial revolution, technologies driven by intelligence and automation are rapidly developing and interacting with each other. In emerging applications such as industrial, automotive and robot sectors, downstream industries require motors to achieve more efficient control and silent operation. In the past few years, we have carried out R&D and strategic deployments around these emerging applications:

- **IC design:** we have accumulated a rich portfolio of core technologies for industrial and automotive-grade high-power motor control ICs, and have conducted the development of automotive-grade motor control ICs, and high-precision sensors, among others;

- **Motor control algorithms:** we have maintained a first-mover advantage in the mainstream sensorless control algorithms, including FOC, servo control, and other control algorithms tailored for industrial applications; and

- **Motor design:** we have conducted research on motor design in relation to industrial control, robots and other fields, accumulating extensive R&D results.

Our R&D accumulation has laid a solid foundation for us to further expand into applications with higher powers and higher reliability requirements. Based on our advantages in the above fields, we intend to comprehensively deploy in emerging downstream applications such as industrial, automotive and robots on the basis of our existing R&D planning. We aim to stay at the forefront of industry with our technological advantages, seize new market opportunities brought about by the development of emerging industries and continue to explore new revenue growth opportunities.

(IV) Expanding overseas markets, promoting products globally and developing our business with an international perspective

Expanding our overseas markets is essential to our strategic goal. After more than a decade of experience and accumulation in technology, products, end customer base and commercialization, we believe that our strengths in technologies and products allow us to compete globally. We intend to continue advancing our overseas market layout, broadening overseas sales channels, developing overseas business partners, building leading overseas R&D teams, responding promptly to overseas market demands, promoting the application of our products and technologies in overseas markets and providing high-quality IC products to global end customers.

The rapid development of the semiconductor industry and artificial intelligence technology has brought opportunities for resource integration, technological interaction and collaborative development in the industry. We aim to fully leverage our technological advantages, foster synergies with industry peers and upstream and downstream partners, to seize opportunities in the global industry. With an international perspective in mind, we strive to strategically expand our products, technologies, markets and end customer base globally, and become an industry leader through technology development and upstream and downstream collaboration in the industry. We intend to closely monitor potential strategic investment and acquisition opportunities in overseas markets and actively and prudently pursue acquisitions of potential targets.

(V) Attracting top global talent and continuously building talent teams

We attach great importance to building our talent team. We adhere to the values of "simplicity, openness, trust and forward-thinking". We are committed to achieving the mutual growth and development of our Company and its employees. We plan to continue attracting global talent through attractive incentive mechanisms, an open corporate culture, and a vigorous working environment. We intend to continuously improve our R&D personnel training system, and enhance our R&D team through social and campus recruitment. We aim to build an open and dynamic talent cultivation framework that supports clear and accessible career progression. We intend to further strengthen our multi-level R&D talent team. By fostering effective communication and collaboration within our team, we strive to create a vibrant, knowledge-driven organization that unlocks team potential and drives innovation.

II. FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2025, the Group achieved revenue of RMB375.0 million (corresponding period in 2024: RMB282.3 million), representing an increase of 32.8% compared to the corresponding period last year.

The revenue of the Group is derived from the following products: (i) MCU; (ii) ASIC; (iii) HVIC; (iv) MOSFET; (iv) IPM; and (vi) others.

	For the six months ended 30 June					
	2025		2024		Change	
	Amount		Amount		Amount	Percentage
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Revenue						
MCU	**228,095**	**60.9**	174,338	61.7	53,757	30.8
ASIC	**66,878**	**17.8**	42,749	15.1	24,129	56.4
HVIC	**43,210**	**11.5**	42,279	15.0	931	2.2
MOSFET	**1,202**	**0.3**	1,005	0.4	197	19.6
IPM	**35,282**	**9.4**	21,427	7.6	13,855	64.7
Others	**373**	**0.1**	526	0.2	−153	−29.1
Total revenue	**375,040**	**100.0**	**282,324**	**100.0**	**92,716**	**32.8**

MCU

During the Reporting Period, revenue from MCU products increased from RMB174.3 million in the corresponding period in 2024 to RMB228.1 million, representing an increase of 30.8%, accounting for approximately 60.9% of total revenue (for the six months ended 30 June 2024: 61.7%).

The increase in MCU product revenue was primarily due to an increase in our sales volume of MCU as a result of increased market demand from industrial, smart small household appliances, white goods and automotive sectors.

ASIC

During the Reporting Period, revenue from ASIC products increased from RMB42.7 million in the corresponding period in 2024 to RMB66.9 million, representing an increase of 56.4%, accounting for approximately 17.8% of total revenue (for the six months ended 30 June 2024: 15.1%).

The increase in ASIC product revenue was primarily due to increased market demand from smart small household appliances and automotive sectors, resulting in an increase in sale volume.

HVIC

During the Reporting Period, revenue from HVIC products increased from RMB42.3 million in the corresponding period in 2024 to RMB43.2 million, representing an increase of 2.2%, accounting for approximately 11.5% of total revenue (for the six months ended 30 June 2024: 15.0%).

The increase in HVIC product revenue was primarily due to an increase in our sales volume of HVIC from 74.7 million units in the first half of 2024 to 81.6 million units in the first half of 2025 as a result of increased market demand of our HVIC products in applications such as sports and leisure and white goods, which drove our HVIC sales volumes.

MOSFET

During the Reporting Period, revenue from MOSFET products increased from RMB1.0 million in the corresponding period in 2024 to RMB1.2 million, representing an increase of 19.6%, accounting for approximately 0.3% of total revenue (for the six months ended 30 June 2024: 0.4%).

IPM

During the Reporting Period, revenue from IPM products increased from RMB21.4 million in the corresponding period in 2024 to RMB35.3 million, representing an increase of 64.7%, accounting for approximately 9.4% of total revenue (for the six months ended 30 June 2024: 7.6%).

The increase in IPM product revenue was primarily due to the increase in sales of IPM products with motor control function for white goods, which typically have higher sales unit price.

After years of R&D effort and technical accumulation in the field of motor drive control, the Company has developed and launched sensor products, expanding its product range and empowering downstream customers continuously. With the launch and market introduction of the Company's sensor products, it is expected to drive the future growth curve of the Company.

During the Reporting Period, the Company's products achieved a sales contribution of 53.9% in its existing business segments, including smart small household appliances, electric tools and sports and leisure. Leveraging long-term industry experience and deepened cooperation with major customers, sales revenue and contribution from the white goods segment continued to grow, with its proportion increased to 20.9% for the Reporting Period.

During the Reporting Period, benefiting from the steady and increasing demand for server cooling driven by data centre computing power requirements, as well as the Company's continuous R&D investment in the industrial sector, the Company's products also achieved rapid growth in industrial applications. The Company carried out forward-looking R&D planning in the field of industrial servo systems during the period, with revenue from the industrial sector accounting for 14.3% of total sales revenue. The Company will continue to optimise the hardware path of motor drive architecture algorithms, upgrade its algorithm framework, and leverage its in-depth understanding of motor technologies. It will also actively engage in technical exchanges with downstream customers and Tier-1 manufacturers to promote the mass production and application of its industrial servo products in areas such as industrial servo systems and robotics.

Brushless DC motors (BLDC) are rapidly penetrating core automotive system with its high reliability, excellent energy efficiency and compact structure. Amidst the automotive electrification transition, BLDC motors can meet the stringent requirements of automotive system for long lifespan and low energy consumption. The Company's automotive-grade BLDC drive control chip products have undergone long-term R&D, and have passed AEC-Q100 automotive certification and ISO 26262 functional safety management system certification. The proportion of automotive-grade chips to operating revenue has increased to 10.12%, representing a rapid growth rate. Meanwhile, ISO 26262 functional safety management product certification for automotive-grade chips is ongoing. In the future, the Company will utilize system-level technology to expand its customer base to additional automotive companies and Tier 1 manufacturers, support the further mass production of chip products in the automotive electronics field, and continuously broaden and deepen the application fields of automotive electronics.

Cost of sales

The cost of sales of the Group primarily includes (i) cost of wafers, (ii) cost of packaging and testing, (iii) other cost of sales, mainly including costs in relation to the cost of sales of other products such as semiconductor DEMO boards and analog devices, and (iv) inventory impairment losses.

During the Reporting Period, the cost of sales of the Group was RMB180.4 million (corresponding period in 2024: RMB133.9 million), representing an increase of 34.7% compared to the corresponding period in 2024. This increase was primarily due to the increase in cost of sales brought by the increase in sales revenue.

Gross profit and gross profit margin

During the Reporting Period, the gross profit of the Group was RMB194.6 million, representing an increase of 31.1% from RMB148.4 million in the corresponding period in 2024. The increase in sales revenue has resulted in the growth in gross profit. The gross profit margin decreased slightly from 52.6% in the corresponding period in 2024 to 51.9% in the Reporting Period, but remained at a healthy level.

Other revenue and income

The other revenue and income of the Group primarily consist of interest income, investment income from financial assets at fair value through profit or loss and government grants, fair value gain on financial assets at fair value through profit or loss, and others.

During the Reporting Period, other income amounted to RMB39.2 million (corresponding period in 2024: RMB38.7 million), representing an increase of 1.2% compared to the corresponding period last year, basically staying flat.

Research and development costs

The research and development costs of the Group primarily consist of (i) employee compensation, which primarily include the salaries, bonus and welfare paid to our R&D staff, (ii) cost of R&D materials, (iii) lease property expenses related to our R&D activities, (iv) share-based payments, (v) technical service fees related to our R&D activities, (vi) depreciation and amortization related to our R&D infrastructure and (vii) others, mainly including travelling expenses and office expenses.

During the Reporting Period, research and development costs amounted to RMB70.7 million (corresponding period in 2024: RMB40.2 million), representing an increase of 75.9% compared to the corresponding period last year, primarily due to: (i) the increase in share-based payments; (ii) the increase in employee compensation paid to our R&D personnel, primarily attributable to the rising R&D staff headcount and salaries; (iii) the increase in depreciation and amortization; and (iv) the increase in technical service fees.

As of the end of the Reporting Period, the Company had obtained a total of 127 patents at home and abroad, including 74 invention patents. These abundant innovation achievements continue to empower and support the Company's sustainable high-quality development.

Selling and distribution expenses

During the Reporting Period, selling and distribution expenses amounted to RMB17.0 million (corresponding period in 2024: RMB8.3 million), representing an increase of 104.6% compared to the corresponding period last year. The selling and distribution expenses of the Group primarily consist of (i) employee compensation; (ii) promotion and advertising expenses; (iii) share-based payments; (iv) leased property expenses; (v) travelling and office expenses; (vi) exhibition fees; and (vii) others. The increase in selling and distribution expenses was primarily due to (i) the increase in share-based payments, and (ii) the increase in employee compensation primarily attributable to the increasing sales and marketing personnel salaries and headcounts.

Administrative expenses

During the Reporting Period, administrative expenses amounted to RMB21.9 million (corresponding period in 2024: RMB13.2 million), representing an increase of 66.4% compared to the corresponding period last year. The administrative expenses of the Group mainly consist of (i) employee compensation; (ii) professional service fees; (iii) tax and surcharges; (iv) depreciation and amortization; (v) share-based payments; (vi) leased property expenses; (vii) office expenses; and (viii) others. The increase in administrative expenses was primarily due to (i) the increase in share-based payments; (ii) increase in depreciation and amortization; (iii) increase in tax and surcharges; and (iv) increase in expenses in relation to the Listing (defined below).

Sharing of losses of associates

During the Reporting Period, the share of loss from associates amounted to RMB2,000 (corresponding period in 2024: Nil).

Impairment losses on financial assets, net

During the Reporting Period, impairment losses on accounts receivable amounted to RMB0.2 million (corresponding period in 2024: RMB0.1 million), primarily due to an increase in trade receivables during the Reporting Period.

Other expenses

During the Reporting Period, other expenses amounted to RMB1.8 million (corresponding period in 2024: RMB0.9 million), primarily due to foreign exchange losses.

Income tax expense

During the Reporting Period, income tax expense amounted to RMB5.3 million (corresponding period in 2024: RMB2.1 million), representing an increase of 154.3% compared to the corresponding period last year, which is primarily due to the transition of the corporate income tax rate of the parent company from a tax-exempt period to a 10% preferential tax rate period.

Profit for the period

During the Reporting Period, the net profit of the Group was RMB116.5 million (corresponding period in 2024: RMB122.0 million), representing a decrease of 4.5% compared to the corresponding period last year.

During the Reporting Period, the profit attributable to shareholders of the Company (the "**Shareholders**") was RMB116.5 million (corresponding period in 2024: RMB122.0 million), representing a decrease of 4.5% compared to the corresponding period last year, which is primarily due to the implementation of the 2024 restricted share incentive plan by the Company in November 2024. The share-based payments accrued during the Reporting Period increased by approximately RMB32.0 million year-on-year. Excluding the impact of such factor, the profit attributable to the shareholders of the Company (the "**Shareholders**") increased by 18.7% year-on-year.

Property, plant, and equipment

The property, plant, and equipment of the Group primarily consist of buildings, machine equipment, electronic equipment, furniture and fixtures, and leasehold improvements. As of 30 June 2025, the net property, plant, and equipment of the Group amounted to RMB149.6 million, representing an increase of RMB2.0 million from RMB147.6 million as of 31 December 2024, primarily due to the acquisition of new machine equipment and electronic equipment during the Reporting Period.

Intangible assets

The intangible assets of the Group primarily consist of software and IP license. As of 30 June 2025, the intangible assets of the Group amounted to RMB10.2 million, representing an increase of RMB1.1 million from RMB9.1 million as of 31 December 2024, primarily due to the increase in software resulting from the purchase of EDA software.

Trade payables and bills payables

The trade and bills payables of the Group primarily consist of payments due to our suppliers for wafer manufacturing and chip packaging and testing. Our trade and bills payables are non-interest-bearing.

As of 30 June 2025, the trade payables and bills payables of the Group amounted to approximately RMB42.3 million, representing an increase of approximately RMB35.0 million from approximately RMB7.3 million as of 31 December 2024, which is primarily due to (i) the increased wafer procurements by us in anticipation of increased sales; and (ii) increase in bills payables, primarily due to our increased use of bill payments for certain chip packaging and testing suppliers.

Lease liabilities

The lease liabilities of the Group decreased from RMB16.1 million as of 31 December 2024 to RMB14.6 million as of 30 June 2025, primarily due to the payment of rent.

Contract liabilities

Contract liabilities primarily represents payment in advance from our customers based on sales order, before delivery of products under the contracts by the Group. As of 30 June 2025, the contract liabilities of the Group amounted to approximately RMB1.7 million, representing an increase of approximately RMB0.4 million from RMB1.3 million as of 31 December 2024.

Borrowing

As of 30 June 2025, the Group had no bank or other borrowings (as of 31 December 2024: the Group had no bank or other borrowings.)

Debt-to-asset ratio

The debt-to-asset ratio is calculated by dividing the total liabilities on the same date by the total assets on the same date. As of 30 June 2025, the debt-to-asset ratio of the Group was 3.8% (the debt-to-asset ratio as of 31 December 2024 was 3.6%).

Asset pledge

The Group did not have any mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of 30 June 2025.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group did not have any material contingent liabilities.

LIQUIDITY, RESERVES, AND CAPITAL STRUCTURE

The Group maintained a sound financial position during the Reporting Period. As of 30 June 2025, the cash and cash equivalents of the Group amounted to RMB130.8 million, representing a decrease of 56.0% from RMB297.4 million as of 31 December 2024, which is primarily due to an increase in purchase of debt investment at fair value through other comprehensive income and financial assets at fair value through profit or loss. The use of cash of the Group was primarily related to operating activities and investing activities, and the Group makes decisions to invest in these investment products such as negotiable certificates of deposit, structured deposits and, to a lesser extent, wealth management products, selectively, on the basis that the Group has remaining liquidity and seeks incremental yield enhancement and subject to compliance with the applicable listing rules. These products are chosen primarily when they are at low risk, issued by highly reputable institutions with strong internal controls, and provide clear explanation of underlying asset classes and risk profiles. The Board carefully evaluates the liquidity, transparency, and creditworthiness of the issuing institutions before investing.

As of 30 June 2025, the total equity of the Group amounted to RMB2,638.5 million, representing an increase of RMB85.6 million from RMB2,552.9 million as of 31 December 2024, or an increase of 3.4%, which is primarily due to (i) increase in retained profits of RMB44.6 million attributable to our profit for the period of RMB116.5 million, partially offset by the dividends declared of RMB71.9 million in 2025; and (ii) increase in share option reserve of RMB41.1 million.

EXCHANGE RATE RISK

The principal sales business of the Group is conducted in China, and our business is primarily denominated in Renminbi and is gradually expanding into overseas markets. Some procurement business is conducted overseas, with prices and settlements primarily denominated in US dollars.

In response to potential risks, the Group has established the Foreign Exchange Hedging Management System to mitigate and prevent exchange rate risks. The Board has set an annual cap on the size of foreign exchange hedging business (refer to the circular of the Company dated 20 August 2025) and proposed to the general meeting of the Company to authorize the Board, and approve the Board's authorization to the Company's management in reviewing daily foreign exchange hedging business plans and executing relevant contracts. The Group will closely monitor our foreign exchange exposure and, when necessary, use appropriate financial instruments to mitigate foreign exchange risks for hedging purposes.

OTHER INFORMATION

H Shares Listing and the Use of Proceeds from the Listing

The H shares of the Company were listed (the "**Listing**") on the Main Board of the Hong Kong Exchanges and Clearing Limited (the "**Stock Exchange**") on 9 July 2025 (the "**Listing Date**") and 18,744,400 H shares were issued. Following the full exercise of the Over-Allotment Option on 24 July 2025, the number of H shares issued and listed increased from 18,744,400 to 21,556,000. After deducting underwriting fees and related expenses, the total net proceeds from the listing (the "**Net Proceeds**") amounted to approximately HKD2,462.6 million. As of the date of this announcement, there has been no changes to the intended use of the Net Proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 30 June 2025 (the "**Prospectus**"). If the Net Proceeds are not immediately used for their intended purposes, and subject to relevant laws and regulations, the Company will deposit the Net Proceeds into a short-term interest-bearing account with a licensed commercial bank and/or other authorized financial institution (as defined under the Securities and Futures Ordinance or applicable laws and regulations of other jurisdictions). For details on the use of proceeds, please refer to the 2025 interim report to be published in due course.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures

The Company did not make any material acquisitions or disposals of subsidiaries, associates, or joint ventures during the Reporting Period.

To maximise returns on idle funds while maintaining high liquidity and low risk, the Group reasonably and strategically utilises idle funds of the Group to conduct cash management, subscribing for negotiable certificates of deposit, structured deposits and/or other wealth management products for investment purposes, without utilising any proceeds from the Listing.

In conducting the aforesaid investments, the Group will take into account factors such as (i) the market prevailing interest rates and practices; and (ii) the available surplus cash of the Company for treasury management purpose, against the minimum subscription amount as determined by the issuer of the relevant products.

The significant investments held by the Group during the Reporting Period are as follows:

Name of licensed bank(s)	Outstanding principal amount/cost as at 30 June 2025 *RMB'000* (approximately)	Nature/type of product	Fair value as at 30 June 2025 *RMB'000* (approximately)	Accumulated profit through comprehensive income/interest income as at 30 June 2025 *RMB'000* (approximately)	Percentage to the total assets of the Group as at 30 June 2025 (approximately)
Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司)	335,000	Principal-guaranteed structured deposit with floating return, classified as financial assets at fair value through profit or loss	336,227	1,227	12.3%
Bank of China Limited (中國銀行股份有限公司)	378,000		379,851	1,851	13.9%
Total	**713,000**		**716,078**	**3,078**	-
Evergrowing Bank Co., Limited (恒豐銀行股份有限公司)	140,000	Fixed income negotiable certificate of deposit classified as debt investments at fair value through other comprehensive income	143,979	3,979	5.3%
Industrial Bank Co., Ltd. (興業銀行股份有限公司)	160,000		162,790	2,790	5.9%
Bank of China Limited (中國銀行股份有限公司)	240,560		254,949	14,389	9.3%
Ping An Bank Co.,Ltd. (平安銀行股份有限公司)	314,163		332,175	18,012	12.1%
Total	**854,723**		**893,893**	**39,170**	

Note: As of 30 June 2025, the total amount of the structured deposits was RMB884,584,000 and the total amount of negotiable certificates of deposit was RMB1,060,588,000, which were purchased from different licensed banks under PRC law. Save for the above, the aggregate value of the structured deposits and the negotiable certificates of deposit purchased from each other licensed bank on a aggregated basis was less than 5% of the total assets of the Group as at 30 June 2025.

Save for the aforesaid, the Company did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 30 June 2025) during the Reporting Period.

Save as the plans disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group has no specific plans to make significant investments or acquire material capital assets. However, the Group will continue to seek new opportunities for strategic investments and/or acquisition to achieve its long-term growth strategies. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Employee and remuneration policy

As of 30 June 2025, the Group had a total of 271 full-time employees (31 December 2024: 233). During the Reporting Period, the employee remuneration of the Group included (i) employee salaries of approximately RMB50.5 million, representing an increase of 21.4% as compared to RMB41.6 million for the same period in 2024; and (ii) share-based payments of approximately RMB34.7 million, representing a significant increase of 1,188.5% as compared to RMB2.7 million for the same period in 2024. The Group places great emphasis on the potential of our employees and invests significant effort and resources in recruitment and training. In addition to regular recruitment programs through professional recruitment companies and other third parties, the Group also implements an internal referral policy to attract potential talent to join the Group. Given the long-term benefits of talent development, the Group regularly provides internal training programs for employees to enhance their technical knowledge and strengthen their industry knowledge and expertise. The Group offers employees competitive remuneration packages, including salaries, allowances, benefits in-kind, bonuses, contributions to retirement plans, and social welfare benefits. The Group contributes to social insurance schemes for its employees, including medical insurance, work injury insurance, pension insurance, maternity insurance and unemployment insurance, as well as housing provident fund.

Purchase, sale, or redemption of the listed securities of the Company

From the Listing Date to the date of this announcement, the Company and its subsidiaries did not purchase, sell, or redeem any of the listed securities of the Company (including any sale or transfer of any A shares of the Company (the "**A Share(s)**") which are held by the Company as treasury Shares (as defined in the Listing Rules)).

As at 30 June 2025, the Company held 193,000 A Shares as treasury Shares (as defined in the Listing Rules). As at the date of this announcement, the Company may consider using its treasury A Shares to partially fund its restricted share incentive plan approved on 15 October 2024 and will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate.

Interim dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to protect the interests of shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 to the Listing Rules as its governance code.

Since the Listing on the Stock Exchange, the Company has complied with all applicable provisions set out in Part 2 of the CG Code, except for the following deviation.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from this provision because Mr. Bi Lei, performs both the roles of the chairman of our Board and chief executive officer of the Company. The Board believes that, in view of Mr. Bi Lei's experience, personal profile and understanding of the Group's business operations, Mr. Bi Lei is the Director best suited to identify strategic opportunities and focus of the Board. Vesting the roles of both chairman and chief executive officer to Mr. Bi Lei can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. The Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and independent non-executive Directors. The Board will reassess the division of the roles of chairman and the chief executive officer from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of our Group as a whole.

The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The overseas listed foreign shares in the share capital of the Company (the "**H Share(s)**") was listed on the Stock Exchange on 9 July 2025 and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") has been applicable to the Company since then. The Company has adopted the Model Code as its own code of conduct for securities transactions by Directors and supervisors. After making specific enquiries to all Directors and supervisors, each Director and supervisor has confirmed that they have complied with the standard requirements set out in the Model Code from the Listing Date to the date of this announcement, and the Company has not noticed any non-compliance by Directors and supervisors.

AUDIT COMMITTEE

The Board has established an audit committee (the "**Audit Committee**") and written terms of reference in accordance with the Listing Rules and the CG Code. As of the date of this announcement, the Audit Committee consists of three members, including three independent non-executive directors, namely, Mr. Chen Jingyang, Dr. Lin Mingyao, and Dr. Niu Shuangxia. Mr. Chen Jingyang serves as the chairman of the Audit Committee. The primary responsibilities of the Audit Committee include reviewing and supervising the financial reporting processes and internal control systems of the Group, and providing recommendations and opinions to the Board.

The Audit Committee has reviewed and approved the accounting principles and practices adopted by the Group with the senior management of the Company, and has reviewed the unaudited consolidated interim results of the Group for the Reporting Period.

SCOPE OF WORK OF ERNST & YOUNG

Ernst & Young ("**EY**"), the external auditor of the Company, has conducted review of the interim financial information of the Group for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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 Review Engagements and consequently does not provide assurance that EY would become aware of all significant matters that might be identified in an audit. Accordingly, EY does not express an audit opinion.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As of 30 June 2025 and up to the date of this announcement, except as described in the section headed "H Shares Listing and the Use of Proceeds from the Listing" above, the Group does not have any significant events after the Reporting Period.

PUBLISH INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.fortiortech.com), and contains all the information required by the Listing Rules. The interim report of the Company for the Reporting Period will be provided to the shareholders of the Company in due course and published on the websites of the Stock Exchange and the Company respectively.

By order of the Board
Fortior Technology (Shenzhen) Co., Ltd.
BI Lei
Chairman of the Board

Hong Kong, 27 August 2025

As of the date of this announcement, the Directors of the Company are Mr. Bi Lei and Dr. Bi Chao as executive Directors, and independent non-executive Directors are Dr. Lin Mingyao, Dr. Niu Shuangxia, and Mr. Chen Jingyang.