BRETON
博雷顿

Breton Technology Co., Ltd.
博雷頓科技股份公司

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

(Stock Code: 1333)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended June 30, 2025, together with the comparative figures for the six months ended June 30, 2024.

FINANCIAL HIGHLIGHTS

	For six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Revenue	**326,775**	267,451
Gross profit	**20,950**	8,312
Gross profit margin	**6.4%**	3.1%
Loss before taxation	**174,184**	154,225
Loss for the period	**174,184**	154,278

As of June 30, 2025, our revenue was RMB326.8 million, representing a year-on-year increase of 22.2%; our gross profit was RMB21.0 million, representing a year-on-year increase of 152.1%; our gross profit margin was 6.4%, up 3.3 percentage points year-on-year; our loss was RMB174.2 million, representing a year-on-year increase of 12.9%, such year-on-year increase in loss was mainly due to the provision for credit impairment loss.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

About Breton

We are a zero-carbon intelligent mining solution provider. We are engaged in the design, development and manufacture of battery-electric engineering machinery with autonomous capabilities, as well as the provision of intelligent operation services and photovoltaic ("PV") and storage energy services, which aim at offering customers with one-stop integrated green and intelligent operation solutions.

Our early efforts and extensive knowledge in the industry have made us a top manufacturer of battery-electric wide-body dump trucks and battery-electric loaders, and we have garnered widespread recognition within the industry. According to China Insights Consultancy ("CIC"), we ranked first in shipments of battery-electric wide-body dump trucks with battery capacities exceeding 650kWh for three consecutive years from 2022 to 2024. Concurrently, we have continued to invest in technology development for unmanned mining operations. According to CIC, we are the first manufacturer in China to bring autonomous battery-electric wide-body dump trucks and remote-operated battery-electric loaders to the market. Furthermore, based on the demand for green energy from our overseas mining clients, we are advancing the commercialisation of grid-forming photovoltaic and storage power stations to provide energy services.

Operation Information

During the Reporting Period, we recorded a revenue of RMB326.8 million, representing an increase of 22.2% compared to the same period of last year. The following table sets forth the breakdown of the Group's revenue by type and its percentage of total revenue for the periods as indicated:

	For the six months ended June 30,					
	2025		2024		Change	
	RMB'000	***%***	*RMB'000*	*%*	*RMB'000*	*%*
	(Unaudited)		*(Unaudited)*			
Product sales:						
Battery-electric wide-body dump trucks	**256,471**	**78.5**	144,516	54.0	111,955	77.5
Battery-electric loaders	**53,855**	**16.5**	110,154	41.2	(56,300)	(51.1)
Battery-electric tractor trucks	**298**	**0.1**	1,456	0.5	(1,158)	(79.5)
Spare parts and accessories	**9,947**	**3.0**	5,365	2.0	4,582	85.4
Sub-total	**320,571**	**98.1**	261,491	97.7	59,080	22.6
Rendering of services	**832**	**0.3**	2,011	0.8	(1,179)	(58.6)
Rental income	**5,372**	**1.6**	3,949	1.5	1,423	36.0
Total Revenue	**326,775**	**100.0**	267,451	100.0	59,324	22.2

BUSINESS REVIEW

Products and Technology Development

We are a pioneer in China's new energy engineering machinery industry, and we lead in technological advancements in e-powertrain design, electrical and electronic architecture, and machine intelligence. Building on our past technological experiences and platform-based technologies, we are committed to continuously developing high-capacity, large-tonnage new energy and intelligent products, to maintain our advantaged position in niche areas such as mining application scenarios.

In the first half of 2025, we accelerated the mass production of our self-manufactured chassis battery-electric wide-body dump trucks. Our 800V voltage platform technology reduced the charging time of our products by over 10%. We commenced the development of products such as 135/145 platform battery charging and swapping technologies, 135-tonne 800kWh battery swap models, 145-tonne range-extended battery-electric wide-body dump trucks, 528kWh high-capacity long-endurance 6-tonne battery-electric loaders, and 18-tonne battery-electric fork loaders for marble handling scenarios. In particular, the high-capacity fast charging technology and range-extended products will improve the utilization rate of power batteries and driving range, thereby enhancing the operation efficiency of vehicle.

Accelerated Development of Autonomous Driving Business

For autonomous driving vehicles, the drive-by-wire chassis serves as the physical foundation for achieving advanced autonomous driving. Leveraging our complete machine research and development and production capabilities, combined with autonomous driving technology, we have developed the autonomous driving equipment with pre-installed drive-by-wire chassis. This achievement enables seamless integration of our control system with autonomous driving algorithms, while delivering better cost efficiency. In 2023, we successively launched autonomous driving battery-electric wide-body dump trucks for open-pit mine transportation operations and cabinless remote-operated battery-electric loaders. During the Reporting Period, we also designed cabinless driving autonomous battery-electric wide-body dump trucks.

In the first half of 2025, our revenue from sales of autonomous driving equipment accounted for over 11% of the revenue for the same period, exceeding the full-year revenue for comparable businesses in 2024. The commercial models for this type of business will implement the following three options: (i) selling unmanned battery-electric equipment to customers; (ii) providing autonomous operation technical services to customers in category (i) and collecting periodic technical service fees; and (iii) selling pre-installed drive-by-wire chassis battery-electric equipment without perception and intelligent software. Our autonomous driving business is mainly based on sales and technical services in the autonomous driving equipment and currently does not adopt an asset-holding operation model, which will not excessively utilize the Company's working capital.

Overseas Business Expansion

Our main strategies for our overseas business expansion are: (i) in line with the "Belt and Road" initiative, we will provide equipment and services to Chinese enterprises engaged in overseas mining operations; and (ii) providing electricity solutions such as PV power generation for mining enterprises in regions or countries across Africa, Southeast Asia, and other areas rich in mineral resources but facing insufficient electricity supply and relatively high electricity costs, and based on such cooperation, we will further provide customers with battery-electric engineering equipment such as battery-electric wide-body dump trucks.

In the first half of 2025, we have made certain progress in promoting our business presence in four African countries, including Zambia, and two Southeast Asian countries, including Thailand, encompassing PV and micro-grid power construction projects and the conclusion of sales agreements of battery-electric loaders and battery-electric wide-body dump trucks.

SALES STRATEGY

The Company continues to adopt a dual marketing model of "direct sales and distribution". To be specific, we adopt a direct sales strategy for key customers, including large central state-owned enterprises and international mining conglomerates, while the distribution system covers regional mines and small and medium-sized customers, gradually forming a multi-level, wide-coverage market expansion network. The Company places emphasis on long-term follow-up services for existing customers. Through regular return visits, operation and maintenance data analysis and customer meetings, we gain an in-depth understanding of new demands and pain points arising from the use of our equipment, where upgrade services or additional purchases are promptly recommended, driving continuous repeat repurchases from customers.

After-sales Service System Construction

In the first half of 2025, the number of after-sales service stations increased by approximately 28% as compared to the same period of last year, with six central warehouses established nationwide, and authorized service sites or cooperative repair stations set up in second-tier and third-tier cities and remote counties, covering a wider area. We provided technical training to personnel of our clients on an irregular basis, and enhanced customer satisfaction through regular visits and patrol service. We also supervised the quality of after-sales service execution through irregular spot checks. After initially deploying overseas service engineers, we will gradually strengthen our overseas service capabilities as our international business expands.

FINANCIAL REVIEW

- **Revenue**

For the six months ended June 30, 2025, the Group recorded a revenue of RMB326.8 million, representing an increase of 22.2% as compared with RMB267.5 million for the six months ended June 30, 2024. Such change was primarily attributable to an increase in the proportion of revenue contributed by battery-electric wide-body dump trucks.

	For the six months ended June 30,			
	2025		2024	
	RMB'000	***As a percentage of revenue***	*RMB'000*	*As a percentage of revenue*
	(Unaudited)		*(Unaudited)*	
Sales of products:				
Battery-electric wide-body dump trucks	**256,471**	**78.5**	144,516	54.0
Battery-electric loaders	**53,855**	**16.5**	110,154	41.2
Battery-electric tractor trucks	**298**	**0.1**	1,456	0.5
Spare parts and accessories	**9,947**	**3.0**	5,365	2.0
Subtotal	**320,571**	**98.1**	261,491	97.7
Rendering of services	**832**	**0.3**	2,011	0.8
Rental income	**5,372**	**1.6**	3,949	1.5
Total revenue	**326,775**	**100.0**	267,451	100.0

- **Gross Profit Margin**

For the six months ended June 30, 2025, the Group's gross profit margin was 6.4%, representing an increase of 3.3 percentage points compared with 3.1% for the six months ended June 30, 2024. Such change was primarily attributable to an increase in the proportion of revenue contributed by battery-electric wide-body dump trucks, which have a higher gross margin.

- **Other Net Gains/(Losses)**

For the six months ended June 30, 2025, the Group recorded other net losses of RMB1.2 million, representing a decrease of RMB5.3 million compared with other net gains of RMB4.1 million for the six months ended June 30, 2024. Such change was primarily due to the impact of foreign exchange losses.

- **Selling Expenses**

For the six months ended June 30, 2025, the Group's selling expenses amounted to RMB30.0 million, representing an increase of 9.5% compared with RMB27.4 million for the six months ended June 30, 2024. Such change was primarily due to increases in staff salaries and advertising and promotional expenses.

For the six months ended June 30, 2025, the Group's selling expenses as a percentage of revenue were 9.2%, representing a decrease of 1 percentage point compared with 10.2% for the six months ended June 30, 2024. Such change was primarily due to the fact that revenue growth outpaced the growth in selling expenses.

- **Administrative Expenses**

For the six months ended June 30, 2025, the Group's administrative expenses amounted to RMB47.5 million, representing a decrease of 10.4% compared with RMB53.0 million for the six months ended June 30, 2024. Such change was primarily due to a decrease in share-based payment expenses related to the grant of restricted share units to employees.

- **Research and Development Costs**

For the six months ended June 30, 2025, the Group's research and development expenses amounted to RMB37.2 million, representing a decrease of 14.1% compared with RMB43.3 million for the six months ended June 30, 2024. For the six months ended June 30, 2025, research and development expenses as a percentage of revenue were 11.4%, representing a decrease of 4.8 percentage points compared with 16.2% for the six months ended June 30, 2024. Such change was primarily due to a decrease in the Group's outsourced research and development expenditure.

- **Impairment Losses on Trade and Other Receivables, Contract Assets and Financial Guarantees Issued**

For the six months ended June 30, 2025, the Group recorded impairment losses on trade and other receivables, contract assets and financial guarantees issued of RMB73.5 million, representing an increase of 61.5% compared with RMB45.5 million for the six months ended June 30, 2024. Such change was primarily attributable to an increase in trade and other receivables, contract assets and financial guarantees issued, and an increase in the ageing of receivables.

- **Finance Income**

For the six months ended June 30, 2025, the Group's finance income amounted to RMB4.2 million, representing a decrease of 34.4% compared with RMB6.4 million for the six months ended June 30, 2024, and such decrease was primarily due to a decrease in interest income on financial assets measured at amortized cost.

- **Finance Costs**

For the six months ended June 30, 2025, the Group's finance costs amounted to RMB6.5 million, representing an increase of 66.7% compared with RMB3.9 million for the six months ended June 30, 2024, and such increase was primarily due to an increase in interest expenses on the Group's loans and borrowings.

- **Loss for the Period**

As a result of the foregoing, the Group recorded a loss for the period of RMB174.2 million for the six months ended June 30, 2025, representing an increase of 12.9% compared with RMB154.3 million for the six months ended June 30, 2024.

- **Non-IFRS Measures**

To supplement consolidated financial statements which are presented under International Financial Reporting Standards ("IFRS"), the Group also uses adjusted net loss (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with IFRS. The Group also believes that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items. The Group believes that such measure provides useful information to investors and others in understanding and evaluating the Group's consolidated results of operations in the same manner as they help its management. However, the presentation of the adjusted net loss (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measures has limitations as analytical tools, and Shareholders and potential investors should not consider them in isolation from, or as a substitute for the analysis of, the Group's results of operations or financial condition as reported under IFRS.

The Group defines adjusted net loss (a non-IFRS measure) as loss for the year adjusted for (i) equity-settled share-based payment expenses, and (ii) listing expenses. Equity-settled share-based payment expenses consist of non-cash expenses arising from granting of restricted shares to eligible individuals under employee restricted share plans.

The following table sets forth a reconciliation of our loss for the period as indicated to adjusted net loss (a non-IFRS measure).

	For the six months ended June 30,	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss for the period	**(174,184)**	(154,278)
Adjusted for:		
Equity-settled share-based payment expenses	**6,721**	17,258
Listing expenses	**10,893**	11,491
Non-IFRS measure:		
Adjusted net loss for the period	**(156,570)**	(125,529)

- **Liquidity and Capital Resources**

During the Reporting Period, our working capital was primarily sourced from cash inflows from operating activities, bank borrowings, finance leases and equity financing. In accordance with our financial policies, our management monitors and maintains a certain level of cash and bank balances to mitigate the impact of cash flow fluctuations.

As of June 30, 2025, the Group's total current assets amounted to RMB1,137.2 million (December 31, 2024: RMB1,019.6 million). As of June 30, 2025, the Group's total current liabilities amounted to RMB618.8 million (December 31, 2024: RMB665.1 million).

As of June 30, 2025, the Group's total assets amounted to RMB1,601.8 million (December 31, 2024: RMB1,438.3 million). As of June 30, 2025, the Group's total liabilities amounted to RMB895.6 million (December 31, 2024: RMB756.1 million).

As of June 30, 2025, the Group's gearing ratio (calculated as total liabilities divided by total assets and multiplied by 100%) was 55.9% (as of December 31, 2024: 52.6%).

- **Cash and Cash Equivalents**

As of June 30, 2025, the Group's cash and cash equivalents amounted to RMB327.3 million, representing an increase of 64.2% compared with RMB199.3 million as of December 31, 2024. The increase was mainly due to the receipt of proceeds from the Global Offering.

- **Pledged Bank Deposits**

As of June 30, 2025, the Group's pledged bank deposits amounted to RMB23.6 million, representing an increase of RMB19.4 million compared with RMB4.2 million as of December 31, 2024, mainly due to an increase in deposits provided to battery suppliers in line with increased procurement.

- **Inventories**

The Group's inventories decreased from RMB259.0 million as of December 31, 2024 to RMB229.7 million as of June 30, 2025. Inventories turnover days decreased from 161 days as of December 31, 2024 to 146 days as of June 30, 2025, primarily due to a faster inventory turnover as a result of an increase in sales during the Reporting Period.

- **Trade and Other Receivables**

The Group's trade and other receivables decreased from RMB555.8 million as of December 31, 2024 to RMB551.9 million as of June 30, 2025. Trade receivables turnover days increased from 236 days as of December 31, 2024 to 240 days as of June 30, 2025, remaining essentially stable.

- **Property, Plant and Equipment**

The Group's expenditure on property, plant and equipment increased from RMB165.3 million as of December 31, 2024 to RMB183.3 million as of June 30, 2025, mainly due to an increase in investment in construction-in-progress for property, plant and equipment during the period.

- **Material Investments/Future Plans for Material Investments or Capital Asset**

As at June 30, 2025, we did not have any material investments or significant acquisitions.

As disclosed in the "Business" section of the Prospectus, we are expanding our PV storage and charging energy business in the international market, which may lead to an increase in investments in "PV-storage micro-grid" asset. The funding for these future planned investments will primarily come from bank borrowings, equity financing, and other sources. As at the date of this announcement, save for the aforementioned plans and those set out in the "Future Plans and Use of Proceeds" section of the Prospectus, the Group currently has no other material future investment or capital asset plans.

- **Other Investments**

The Group's other investments increased from RMB41.7 million as of December 31, 2024 to RMB46.8 million as of June 30, 2025, mainly due to an increase in the fair value of the Group's equity investments in unlisted companies, which were initially recognized as financial assets at fair value through other comprehensive income.

- **Significant Acquisitions and Disposals of Subsidiaries, Associates and Affiliates**

From the Listing Date up to June 30, 2025, we had no significant acquisitions or disposals of subsidiaries, associates and affiliates.

- **Right-of-use Assets**

The Group's right-of-use assets decreased from RMB106.6 million as of December 31, 2024 to RMB104.3 million as of June 30, 2025, mainly due to an increase in depreciation and amortization charges of right-of-use assets.

- **Trade and Other Payables**

The Group's trade and other payables decreased from RMB374.5 million as of December 31, 2024 to RMB347.7 million as of June 30, 2025. Trade payables turnover days increased from 139 days as of December 31, 2024 to 159 days as of June 30, 2025. Such change was mainly due to an increase in our payment cycle.

- **Loans and Borrowings**

The Group's loans and borrowings increased from RMB352.3 million as of December 31, 2024 to RMB516.1 million as of June 30, 2025, mainly due to increased funding requirements arising from business development and expansion.

The total fixed-rate loans as of June 30, 2025 were RMB288.5 million (December 31, 2024: RMB240.9 million). The fixed interest rates as of June 30, 2025 ranged from 2.8% to 6.5% per annum (2024: 3.2% to 5.98% per annum).

- **Provisions**

The Group's provisions increased from RMB16.5 million as of December 31, 2024 to RMB20 million as of June 30, 2025, mainly due to an increase in warranty provisions as a result of higher product sales.

- **Contract Liabilities**

The Group's contract liabilities decreased from RMB3.7 million as of December 31, 2024 to RMB2.9 million as of June 30, 2025, mainly due to more timely delivery of products to customers.

- **Lease Liabilities**

The Group's lease liabilities decreased from RMB5.8 million as of December 31, 2024 to RMB4.5 million as of June 30, 2025, mainly due to the settlement of certain lease liabilities.

- **Cash Flows**

For the six months ended June 30, 2025, the Group recorded a net cash outflow from operating activities of RMB147.9 million (for the six months ended June 30, 2024: net cash outflow of RMB183.7 million). Such change was mainly due to the enhanced management of the operating cashflow of the Group, with the expansion of its business scale.

For the six months ended June 30, 2025, the Group recorded a net cash outflow from investing activities of RMB59.5 million (for the six months ended June 30, 2024: net cash outflow of RMB50.1 million). Such change was mainly due to increased expenditure on purchases of property, plant and equipment.

For the six months ended June 30, 2025, the Group recorded a net cash inflow from financing activities of RMB335.5 million (for the six months ended June 30, 2024: net cash inflow of RMB68.4 million). Such change was mainly due to new loans and borrowings and the receipt of proceeds from the Global Offering obtained by the Group.

- **Foreign Exchange Risk**

As of June 30, 2025, the Group was primarily exposed to foreign exchange risk because the proceeds from the Global Offering were denominated in Hong Kong dollars and certain bank deposits were denominated in U.S. dollars. The Company's management continued to monitor foreign exchange risk and will consider adopting appropriate hedging measures in the future when necessary.

- **Financial Guarantees Issued**

The Group's financial guarantees issued increased from RMB3.1 million as of December 31, 2024 to RMB5.0 million as of June 30, 2025, mainly due to a corresponding increase in joint and several liability guarantees provided for certain customers as a result of an increase in sales. These customers funded their purchases of the Group's products through finance leases provided by third-party leasing companies.

- **Contingent Liabilities**

As at June 30, 2025, save for the issued financial guarantees as disclosed above, the Group did not have any material contingent liabilities.

- **Capital Commitments**

As at June 30, 2025, the Group had capital expenditures contracted for but not yet recognized of RMB38.7 million, primarily for capital expenditures relating to the purchase of plants and equipment.

- **Pledge of Assets**

As at June 30, 2025, certain borrowings of the Group were secured by pledges of part of its plant and land use rights. Details of the pledge of assets of the Group were set out in Note 12 to the Consolidated Financial Statements.

- **Employees and Remuneration Policy**

As at June 30, 2025, the Group had 337 employees (as at December 31, 2024: 372 employees). For the six months ended June 30, 2025, our staff costs amounted to approximately RMB67.8 million. The employee remuneration policy of the Group is determined after taking into account the overall salary level in the industry, employees' performance and other factors.

To maintain competitiveness and expand its talent pool, the Group reviews and adjusts its remuneration policy from time to time in response to market conditions. It is committed to providing employees with attractive remuneration packages and a vibrant working environment. The Group also provides training for all employees to equip them with the necessary skills to perform their duties and to assist them in achieving their personal career goals and aspirations. Furthermore, the Group offers management and leadership training to suitable employees to further enhance organizational capabilities and drive the Group towards its mission and growth objectives.

The Group recognizes the importance of employee career development in unleashing their full potential. We provide excellent opportunities for employees through both on-the-job training and formal courses. The Group believes that continuously fostering a unique corporate culture and increasing its investment in training will help enhance employee cohesion and attract more talented people to join us.

STRATEGIC OUTLOOK

In the era of carbon neutrality and intelligence, the Company provides customers with integrated solutions that include new energy power services, sales and leasing of battery-electric excavation and transport equipment, and intelligent mining and transport services by building an ecosystem centered on "PV-storage micro-grid power supply" + "new energy mining engineering equipment and tools for excavation, loading, and transport" + "automated collaborative operations" based on user needs and our leading battery-electric products and comprehensive technological development capabilities, thus becoming a globally leading power producer and mining service provider.

Zero-Carbon Mining Solutions

For markets with well-established power infrastructure and low electricity costs, leveraging the superior economic efficiency of battery-electric engineering equipment compared to fuel-powered alternatives, we first provide customers with battery-electric engineering equipment that produces zero tailpipe emissions to reduce their cost of equipment energy consumption. Subsequently, based on the significant electricity demand from a large fleet of battery-electric equipment, we construct "PV-storage micro-grid" systems for customers to supply renewable green electricity.

For markets exposed to weak power infrastructure, power shortages, and high electricity costs, the "PV-storage micro-grid" systems that we have constructed provide customers with low-cost, renewable green, electricity. Leveraging an economic model based on low-cost power, we then encourage customers to replace their fuel-powered excavation, loading, and transport equipment with our new energy-efficient equipment reducing their cost of equipment energy consumption.

Through the aforementioned integrated solution of "PV + energy storage + charging + electric transport capacity", we will help customers establish a stable, economical, and low-carbon energy and transport system, turning the vision of zero carbon into reality.

Intelligent Mining Operations Solutions

We aspire to pioneer the development and accelerate the commercialization of next-generation products that are endowed with intelligence capabilities. Our technologies are designed to deliver integrated full-stack hardware and software solutions, enabling full-domain intelligent driving without relying on high-definition maps, providing intelligent mining solutions and autonomous scheduling software, so as to achieve a transition from single-type operational robots to coordinated intelligent mining, transportation and dumping operations. This is intended to minimise the labor requirements for routine, high-risk or complex tasks, thereby reducing labour costs and safety risks.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Interim Dividend

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

Purchase, Redemption or Sale of Listed Securities of the Company

From the Listing Date up to June 30, 2025, neither the Company nor any member of the Group has purchased, sold or redeemed any listed securities of the Company (including the sale of treasury shares). At the end of the Reporting Period, the Company held no treasury shares.

Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as its own code of conduct to regulate dealings in the securities of the Company by the Directors and Supervisors who, because of their office or employment, are likely to possess inside information in relation to the Group or the securities of the Company and other matters as covered by the Model Code.

Upon specific enquiries by the Company, all Directors and Supervisors confirmed that they have complied with the Model Code from the Listing Date up to June 30, 2025. Furthermore, from the Listing Date up to June 30, 2025, the Company was not aware of any non-compliance with the Model Code by the senior management of the Company.

Compliance with the Corporate Governance Code

As the Company was listed on the Stock Exchange on May 7, 2025, the Corporate Governance Code set out in Appendix C1 to the Listing Rules was not applicable to the Company prior to the Listing Date.

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. Since the Listing Date, the Company has adopted corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code. Save as disclosed below, the Company has complied with all applicable code provisions under the Corporate Governance Code from the Listing Date up to June 30, 2025. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the code provisions under the Corporate Governance Code.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board and chief executive should be separate and should not be performed by the same individual. Currently, Mr. Chen Fangming holds both the positions of the chairman of the Board of the Company and the general manager of the Company. As Mr. Chen Fangming has been responsible for the Group's business and overall strategic planning for many years, the Board is of the view that vesting the roles of both the chairman and the general manager in Mr. Chen Fangming is beneficial to the business prospects and management of the Group by ensuring consistent leadership within the Group. Taking into account all the corporate governance measures implemented by the Group, the Board considers that the balance of power and authority under the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. Accordingly, the Company has not segregated the roles of the chairman and the general manager. The Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager of the Company as necessary and appropriate, taking into account the circumstances of the Group as a whole.

- **Significant Events after the Reporting Period**

On August 15, 2025, Breton (Hunan) Technology Co., Ltd., a wholly-owned subsidiary of the Company, as the principal, entered into a general construction contract in respect of the innovation center project for the Breton battery-electric wide-body dump trucks and unmanned driving technologies with Hunan Bairui Construction Co., Ltd., as the contractor. Pursuant to which, Hunan Bairui Construction Co., Ltd. will undertake the construction work for the aforementioned project as entrusted by Breton (Hunan) Technology Co., Ltd., with the total contract price under the contract of RMB99,500,000.00. For details, please refer to the announcement of the Company dated August 15, 2025. For details, please refer to Note 16 to the Consolidated Financial Statements in this interim results announcement.

Saved as disclosed above, the Group had no significant events after June 30, 2025 and up to the date of this announcement.

- **Audit Committee and Review of Interim Financial Statements**

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2025 with the management of the Company. The Audit Committee is of the view that the interim results are in compliance with applicable accounting standards, and that the Company has made appropriate disclosures in this regard.

KPMG, the Group's external auditor, has carried out a review of the interim financial report for the Reporting Period in accordance with the 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.

- **Publication of Interim Results Announcement and Interim Report**

The 2025 interim results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.breton.top).

The interim report of the Company for 2025 will be published on the above websites in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	**Six months ended 30 June 2025** *RMB*	2024 *RMB*
Revenue	*4(a)*	**326,774,638**	267,451,236
Cost of sales		**(305,824,629)**	(259,139,372)
Gross profit		**20,950,009**	8,311,864
Other net (loss)/gain	*5*	**(1,157,426)**	4,105,598
Selling expenses		**(29,958,086)**	(27,361,995)
Administrative expenses		**(47,533,419)**	(53,000,841)
Research and development costs		**(37,238,898)**	(43,344,527)
Impairment loss on trade and other receivables, contract assets and financial guarantee issued		**(73,540,864)**	(45,474,930)
Loss from operations		**(168,478,684)**	(156,764,831)
Finance income	*6(a)*	**4,179,254**	6,429,051
Finance costs	*6(a)*	**(6,526,780)**	(3,878,131)
Share of results of associates		**(3,358,134)**	(11,156)
Loss before taxation	*7*	**(174,184,344)**	(154,225,067)
Income tax	*7(a)*	**–**	(52,656)
Loss for the period		**(174,184,344)**	(154,277,723)
Loss per share			
– Basic and diluted	*8*	**(0.48)**	(0.44)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2025 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
	Note	**2025**	2024
		RMB	*RMB*
Loss for the period		**(174,184,344)**	(154,277,723)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that will not be reclassified to profit or loss:			
Equity investments at fair value through other comprehensive income – net movement in fair value reserves (not recycling)		**3,791,321**	273,239
Other comprehensive income for the period		**3,791,321**	273,239
Total comprehensive income for the period		**(170,393,023)**	(154,004,484)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 – unaudited
(Expressed in Renminbi)

	Note	At 30 June 2025 RMB	At 31 December 2024 RMB
Non-current assets			
Property, plant and equipment		**183,310,010**	165,302,591
Other investments		**46,789,811**	41,734,716
Right-of-use assets		**104,282,493**	106,559,158
Intangible assets		**2,521,465**	2,960,937
Interest in associates		**26,508,823**	28,482,306
Other non-current assets	*9*	**101,162,402**	73,659,816
		464,575,004	418,699,524
Current assets			
Inventories	*10*	**229,734,963**	259,023,074
Contract assets		**4,764,422**	1,322,200
Trade and other receivables	*11*	**551,863,384**	555,832,631
Pledged bank deposits		**23,597,015**	4,208,000
Cash and cash equivalents		**327,255,573**	199,254,000
		1,137,215,357	1,019,639,905
Current liabilities			
Loans and borrowings	*12*	**245,695,299**	267,197,051
Trade and other payables	*13*	**347,663,327**	374,539,060
Provision		**19,954,085**	16,471,700
Contract liabilities		**2,902,543**	3,655,027
Lease liabilities		**2,600,503**	3,222,155
		618,815,757	665,084,993
Net current assets		**518,399,600**	354,554,912
Total assets less current liabilities		**982,974,604**	773,254,436
Non-current liabilities			
Loans and borrowings	*12*	**270,417,294**	85,115,763
Lease liabilities		**1,880,581**	2,605,537
Deferred tax liabilities		**4,515,916**	3,252,142
		276,813,791	90,973,442
Net assets		**706,160,813**	682,280,994
Capital and reserves			
Share capital	*15(b)*	**379,651,762**	366,651,762
Reserves		**326,509,051**	315,629,232
Total equity		**706,160,813**	682,280,994

NOTES TO THE FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Breton Technology Co., Ltd. (the "Company") (博雷頓科技股份公司) was established as a limited liability Company in Shanghai, the People's Republic of China (the "PRC") on 28 November 2016. The Company was converted into a joint stock company with a limited liability on 23 November 2022. The Company's H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 7 May 2025.

The Company and its subsidiaries (the "Group") are principally engaged in research, development, manufacturing and sale of new energy industrial vehicles in the PRC.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("IAS") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("IASB"). It was authorised for issue on 27 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Directors are of the opinion that, taking into account of the available banking facilities and internal financial resources of the Group, the Group has adequate resources to continue in operational existence for the foreseeable future. Hence, the consolidated financial statements have been prepared on a going concern basis.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG 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.

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

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines are as follows:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
Battery-electric vehicles		
– Battery-electric tractor trucks	**298,184**	1,456,090
– Battery-electric loaders	**53,854,957**	110,153,974
– Battery-electric wide-body dump trucks	**256,470,900**	144,516,574
Spare parts and accessories	**9,946,714**	5,364,872
Sales of products	**320,570,755**	261,491,510
Rendering of services	**831,878**	2,010,933
Subtotal	**321,402,633**	263,502,443
Revenue from other sources		
Rental income	**5,372,005**	3,948,793
Total	**326,774,638**	267,451,236

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Disaggregation by timing of revenue recognition		
– Point in time	**320,570,755**	261,491,510
– Over time	**6,203,883**	5,959,726
Total	**326,774,638**	267,451,236

During the six months ended 30 June 2025 and 2024, the Group's customers with whom transactions have exceeded 10% of the Group's revenue are as follows.

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Customer A	**56,979,115**	–
Customer B	**50,973,451**	–
Customer C	**–**	33,111,743
Customer D	**–**	31,206,441
Total	**107,952,566**	64,318,184

(b) Segment reporting

(i) Segment information

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Company's chief operating decision maker for the purpose of resources allocation and performance assessment. The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment. On this basis, the Company has determined that it only has one operating segment during the six months ended 30 June 2025 and 2024.

(ii) Geographic information

For the six months ended 30 June 2025 and 2024, the geographical information on the total revenue based on the location at which new energy engineering machinery are delivered is as follows:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Chinese Mainland	**326,774,638**	267,451,236

(iii) Non-current asset

The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the assets is provided.

5 OTHER NET (LOSS)/GAIN

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Government grants *(Note)*	**2,620,565**	3,963,540
Net foreign exchange loss	**(3,169,315)**	–
Net loss on disposal of property, plant and equipment	**(3,569)**	(5,268)
Others	**(605,107)**	147,326
	(1,157,426)	4,105,598

Note: Government grants are not assets related and primarily represent reward and subsidies provided to the Group for its contribution to the local economic growth.

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance (income)/costs:

	Six months ended 30 June	
	2025	2024
	RMB	RMB
Finance income		
Interest income on financial assets measured at amortised cost	**(606,990)**	(2,139,312)
Interest income on sales under instalment payment	**(3,572,264)**	(4,289,739)
	(4,179,254)	(6,429,051)
Finance costs		
Interest expenses on loans and borrowings	**6,123,949**	4,188,616
Interest expenses on obligations arising from leaseback transactions	**277,022**	–
Interest expenses on lease liabilities	**125,809**	453,201
Less: interest expense capitalised into property, plant and equipment	**–**	(763,686)
	6,526,780	3,878,131

(b) Staff costs:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Salaries, wages and other benefits	**50,914,292**	48,177,364
Discretionary bonuses	**4,608,488**	3,923,685
Contributions to retirement schemes *(Note)*	**5,567,571**	5,683,152
Equity-settled share-based payment expenses *(Note 14)*	**6,721,061**	17,258,181
	67,811,412	75,042,382

Note: Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of pension benefits beyond the annual contributions described above.

(c) Other items:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Depreciation and amortisation		
– Owned property, plant and equipment	**7,218,399**	3,975,493
– Right-of-use assets	**2,276,665**	3,420,650
– Intangible assets	**439,472**	349,351
Impairment losses recognized		
– Trade and other receivables	**71,535,798**	44,372,869
– Contract assets	**44,380**	50,938
– Inventories *(Note 10(b))*	**12,853,756**	11,226,964
– Financial guarantee issued	**1,960,686**	1,051,123
Product warranty costs	**9,527,185**	7,991,973
Research and development expenses *(i)*	**37,238,898**	43,344,527
Auditors' remuneration *(ii)*	**2,563,779**	2,800,190
Listing expense	**10,893,042**	11,490,797
Cost of sales *(Note 10(b)) (iii)*	**305,824,629**	259,139,372

(i) During the six months ended 30 June 2025, research and development costs included staff costs of RMB22,296,641 (six months ended 30 June 2024: RMB22,838,355) and depreciation and amortisation expenses of RMB276,795 (six months ended 30 June 2024: RMB246,192), which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

(ii) During the six months ended 30 June 2025, the Group recognised auditors' remuneration in respect of initial public offering of RMB1,513,779 (six months ended 30 June 2024: RMB2,800,190), which are also included in the listing expenses disclosed separately above.

(iii) During the six months ended 30 June 2025, cost of sales included staff costs of RMB4,870,082 (six months ended 30 June 2024: RMB2,208,235), depreciation and amortisation expenses of RMB5,359,502 (six months ended 30 June 2024: RMB3,984,337) and write-down of inventories, which are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

7 INCOME TAX

(a) Taxation in the consolidated statements of profit or loss represents:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Provision for income tax for the period	**–**	52,656

(b) Reconciliation between income tax expense and accounting loss at applicable tax rates:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Loss before taxation	**(174,184,344)**	(154,225,067)
Notional tax on loss before taxation, calculated at the rates applicable to profit in the tax jurisdictions concerned *(Note (i))*	**(43,651,147)**	(38,288,008)
Tax effect of non-deductible expenses	**264,588**	95,215
Tax losses and temporary differences not recognised	**42,793,188**	38,220,686
Tax effect in respect of share of results of associates	**593,371**	24,763
Actual income tax expense	**–**	52,656

Notes:

(i) Pursuant to the Enterprise Income Tax (the "EIT"), the Company and its subsidiaries are liable to EIT at a rate of 25%, unless otherwise specified.

(ii) Certain subsidiaries in the PRC were entitled to a preferential PRC EIT rate of 5% as it was accredited as small and micro business.

(iii) According to the EIT Law and its relevant regulations, entities that qualified as a High and New Technology Enterprises are entitled to a preferential income tax rate of 15%. The Company obtained the High and New Technology Enterprises status in 2019 and had this status renewed in 2022.

8 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be issued during the reporting periods of six months ended 30 June 2025 and 2024.

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Loss for the period attributable to ordinary equity shareholders of the Company	**(174,184,344)**	(154,277,723)
Weighted average number of ordinary shares deemed to be in issue	**359,497,830**	351,709,265
Basic and diluted loss per share	**(0.48)**	(0.44)

Weighted average number of ordinary shares in issue/deemed to be in issue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Ordinary shares in issue/deemed to be in issue at 1 January	**351,709,265**	351,709,265
Effect of issuance of H shares through initial public offering	**3,878,453**	–
Effect of shares vested under Restricted Share Scheme	**3,910,112**	–
Weighted average number of ordinary shares in issue/deemed to be in issue at the end of the period	**359,497,830**	351,709,265

(b) Diluted loss per share

Restricted shares granted under the Group's employee restricted share plans (Note 14) was not included in the calculation of diluted loss per share because their effect would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share.

9 OTHER NON-CURRENT ASSETS

	At 30 June 2025 *RMB*	At 31 December 2024 *RMB*
Financial assets measured at amortised cost		
– Trade receivables due from third parties	**45,506,988**	53,847,362
– Trade receivables due from related parties	**17,968,038**	6,382,311
Less: loss allowance on trade and receivables	**(11,320,150)**	(4,194,203)
Trade receivables, net *(Note 11)*	**52,154,876**	56,035,470
Prepayment for property, plant and equipment	**21,420,580**	1,465,966
Contract assets	**4,514,262**	7,094,279
Deposits	**23,072,684**	9,064,101
	101,162,402	73,659,816

10 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprise:

	At 30 June 2025 *RMB*	At 31 December 2024 *RMB*
Raw materials	**105,246,964**	97,001,382
Finished goods	**123,649,776**	161,582,935
Right to recover returned goods	**838,223**	438,757
	229,734,963	259,023,074

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	At 30 June 2025 *RMB*	At 30 June 2024 *RMB*
Carrying amount of inventories used	**292,970,873**	247,912,408
Write-down of inventories	**12,853,756**	11,226,964
	305,824,629	259,139,372

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 *RMB*	At 31 December 2024 *RMB*
Trade receivables due from		
– third parties	**502,046,903**	379,458,806
– related parties	**137,806,492**	223,693,934
Less: loss allowance on trade receivables	**(227,711,195)**	(156,825,397)
	412,142,200	446,327,343
Less: Trade receivables due more than one year	**(52,154,876)**	(56,035,470)
	359,987,324	390,291,873
Bills receivable	**32,114,125**	56,572,251
Other receivables due from		
– third parties	**9,114,844**	7,465,528
– related parties	**1,073,790**	–
Less: loss allowance on other receivables	**(6,074,716)**	(5,424,716)
Other receivables, net	**4,113,918**	2,040,812
Deposits	**46,603,208**	5,414,264
Prepayments for purchase of raw materials	**68,498,079**	69,909,123
Prepaid expenses	**7,325,788**	2,206,831
Prepayments for listing expenses	**–**	1,823,009
Taxation recoverable	**33,220,942**	27,574,468
	551,863,384	555,832,631

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

(a) Ageing analysis

As of the end of the Reporting Period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025	At 31 December 2024
	RMB	*RMB*
Within 1 year	**299,758,276**	303,449,728
1-2 years	**77,461,474**	118,231,393
2-3 years	**33,581,270**	22,070,084
More than 3 years	**1,341,180**	2,576,138
	412,142,200	446,327,343

(b) Endorsed bank acceptance bills

(i) Endorsed bank acceptance bills that are not derecognised in their entirety

As at 30 June 2025, the Group endorsed certain bank acceptance bills with a carrying amount of RMB29,938,384 (31 December 2024: RMB28,248,276) to suppliers for settling trade and other payables of the same amount on a full recourse basis.

In the opinion of the directors, the Group has not transferred the substantial risks and rewards relating to these bank acceptance bills and commercial bills, and accordingly, these bills receivable and the associated trade and other payables were not de-recognized in the consolidated statements of financial position.

(ii) Endorsed bank acceptance bills that are derecognised in their entirety

As at 30 June 2025, the Group endorsed certain bank acceptance bills with a carrying amount of RMB35,492,208 (31 December 2024: RMB16,630,257) to suppliers for settling trade and other payables of the same amount on a full recourse basis. The Group derecognised these bills receivable and the payables to suppliers in their entirety in the consolidated statements of financial position.

In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

As at 30 June 2025, the Group's maximum exposure to loss and undiscounted cash outflow, which is the same as the amounts payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB35,492,208 (31 December 2024: RMB16,630,257).

12 LOANS AND BORROWINGS

(a) The analysis of the carrying amount of borrowings in the consolidated statements of financial position is as follows:

	At 30 June 2025 *RMB*	At 31 December 2024 *RMB*
Current		
Short-term bank loans	**48,032,500**	50,024,167
Current portion of long-term bank loans	**121,884,632**	215,844,788
Obligations arising from sale and leaseback transactions	**23,278,167**	1,328,096
Other borrowings	**52,500,000**	–
	245,695,299	267,197,051
Non-current		
Obligations arising from sale and leaseback transactions	**29,043,309**	5,891,778
Long-term bank loans	**241,373,985**	79,223,985
	270,417,294	85,115,763
	516,112,593	352,312,814

The interest rates per annum of borrowings were:

	At 30 June 2025	At 31 December 2024
Current loans	**one-year LPR-0.5%-one-year LPR-0.4% or 2.5%-6.5% or interest-free**	one-year LPR-0.65%-+0.5% or 2.8%-5.98%
Non-current loans	**over five-year LPR-0.3% or 2.8%-6.5%**	2.9%-5.98%

Interest rates comprise fixed rates and floating rates based on Loan Prime Rate ("LPR").

(b) **The borrowings were repayable as follows:**

	At **30 June 2025** *RMB*	At 31 December 2024 *RMB*
Within 1 year	**245,695,299**	267,197,051
After 1 year but within 2 years	**250,156,302**	44,609,667
After 2 years but within 5 years	**20,260,992**	40,506,096
	516,112,593	352,312,814

(c) **The borrowings of the Group were secured as follows:**

	At **30 June 2025** *RMB*	At 31 December 2024 *RMB*
Bank loans		
– Secured *(i)*	**49,042,058**	47,081,971
– Unsecured	**362,249,059**	298,010,969
	411,291,117	345,092,940
Obligations arising from sale and leaseback transactions		
– Unsecured	**52,321,476**	7,219,874
Other borrowings		
– Unsecured *(ii)*	**52,500,000**	–
Total	**516,112,593**	352,312,814

(i) As at 30 June 2025, certain of the Group's borrowing was secured by the Group's land use rights and buildings with the amount of RMB64,016,236 and RMB61,514,096, respectively (31 December 2024: RMB24,790,772 and nil).

(ii) As at 30 June 2025, the Group borrowed RMB52,500,000 from third parties, which was interest-free and would mature within one year.

13 TRADE AND OTHER PAYABLES

	At 30 June 2025 *RMB*	At 31 December 2024 *RMB*
Trade payables due to third party suppliers	**263,592,811**	270,526,165
Bills payable	**–**	10,000,000
Financial liabilities measured at amortised cost	**263,592,811**	280,526,165
Other payables		
– Deposits	**7,023,504**	8,571,705
– Government grants payable	**1,984,000**	1,984,000
– Payables for purchase of property, plant and equipment	**9,375,988**	7,011,873
– Commission expenses payable	**3,269,294**	2,884,699
– Deposit for restricted shares	**1,425,600**	11,600,000
– Others	**32,080,971**	32,430,085
Accrued payroll and other benefits	**14,761,840**	19,881,447
VAT and sundry taxes payable	**10,002,593**	4,938,755
Refund liabilities		
– accrual of sales return	**876,231**	428,888
– arising from sales rebate	**3,270,495**	4,281,443
	347,663,327	374,539,060

As of the end of the Reporting Period, the ageing analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2025 *RMB*	At 31 December 2024 *RMB*
Within 1 year	**259,753,718**	265,049,045
1 year to 2 years	**2,990,321**	1,489,846
Over 2 years	**848,772**	3,987,274
	263,592,811	270,526,165

14 EQUITY-SETTLED SHARE-BASED PAYMENT

The Company has adopted a Restricted Share Scheme, whereby the directors of the Company may, at their discretion, offer to grant a share award to subscribe shares (or share capital before the Company's conversion into a joint stock Company, to attract and retain the talents and to provide incentives that align the interests of Shareholders, the Company and employees (the "Grantees"), for long-term development of the Company. Pursuant to the Restricted Share Scheme, the Company has granted certain restricted shares to the Grantees at a fixed subscription price. All the restricted shares granted shall be vested at the date of 36 months from the date of grant or the date of completion of a qualified listing, whichever is later. The restricted shares are subject to certain transfer and disposal restrictions until the completion of the vesting. Upon the occurrence of certain events within the vesting period, including an employee ceased employment with the Group, the restricted shares would be forfeited and redeemed at the price of subscription price plus simple interest.

(a) The details of the grants are as follows:

	Number of restricted shares#	**Subscription price#** *RMB*
Restricted shares granted to directors:		
– on 1 February 2020	–	NA
– on 1 March 2022	3,091,551	0.78
– on 3 March 2023	–	NA
– on 22 September 2023	–	NA
– on 20 December 2023	–	NA
Restricted shares granted to employees:		
– on 1 February 2020	9,923,879	0.49
– on 1 March 2022	17,518,790	0.78
– on 3 March 2023	811,017	0.78
– on 22 September 2023	1,004,754	0.97
– on 20 December 2023	783,193	0.97

(b) Set out below is the movement in number of the underlying shares of the Company under the Restricted Shares Scheme:

	At 30 June 2025		At 31 December 2024	
	Weighted average fair value *RMB*	**Number of restricted shares**	Weighted average fair value *RMB*	Number of restricted shares
Outstanding at the beginning of the period/year	**4.67**	**26,388,450**	4.70	26,728,521
Forfeited during the period/year	**3.03**	**(798,651)**	6.82	(340,071)
Outstanding at the end of the period/year	**4.72**	**25,589,799**	4.67	26,388,450
Exercisable at the end of the period/year	**4.58**	**23,279,380**	/	–

(c) Expenses for the share-based compensation have been charged to the consolidated statements of profit or loss and other comprehensive income as follow:

	Six months ended 30 June	
	2025	2024
	RMB	*RMB*
Cost of sales	**9,349**	28,841
Selling expenses	**1,900,298**	3,793,628
Administrative expenses	**2,740,240**	12,103,713
Research and development costs	**2,071,174**	1,331,999
	6,721,061	17,258,181

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

(i) No interim dividend was declared after the end of reporting periods of six months ended 30 June 2025 and 2024.

(ii) No final dividend was declared in respect of the previous financial year, approved or paid during the reporting periods of six months ended 30 June 2025 and 2024.

(b) Share capital and share premium

	Numbers of ordinary shares	**Share capital**	**Share premium**	**Total**
	RMB	*RMB*	*RMB*	*RMB*
Issued and fully paid				
At 31 December 2024 and 1 January 2025	366,651,762	366,651,762	892,324,243	1,258,976,005
Issuance of H shares through initial public offering *(i)*	13,000,000	13,000,000	164,377,381	177,377,381
At 30 June 2025	**379,651,762**	**379,651,762**	**1,056,701,624**	**1,436,353,386**

(i) On 7 May 2025, the Company issued 13,000,000 H shares of RMB1.00 each at a price of Hong Kong dollar ("HK$") 18.00 per share by way of the Hong Kong public offering (the "Offering"). Consequently, the share capital increased by RMB13,000,000, and the corresponding share premium increased by RMB164,377,381 (after deduction of listing expense).

16 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 15 August 2025, Breton (Hunan) Technology Co., Ltd. ("Breton Hunan"), a wholly-owned subsidiary of the Company, entered into a general construction contract (the "Contract") as the principal in respect of the innovation center project (the "Project") with Hunan Bairui Construction Co., Ltd. ("Hunan Bairui"), as the Contractor. Hunan Bairui would undertake the construction work for the Project as entrusted by Breton Hunan, with the total contract price of RMB99,500,000.

DEFINITIONS

"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Company"	Breton Technology Co., Ltd. (博雷頓科技股份公司), a limited liability company established under the laws of the PRC on November 28, 2016 and converted into a joint stock company with limited liability on November 23, 2022, the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 1333)
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in RMB and not listed or traded on any stock exchange
"Global Offering"	has the meaning ascribed thereto in the prospectus of the Company dated April 25, 2025
"Group", "we" or "us"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Main Board of the Stock Exchange and subscribed for and traded in Hong Kong dollars
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Date"	May 7, 2025, being the date on which the H Shares were listed and approved for trading on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Model Code"	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"PRC" or "China"	the People's Republic of China, which for the purpose of this interim results report only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan

"Prospectus"	the prospectus of the Company dated April 25, 2025
"Reporting Period"	the six months ended June 30, 2025
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising Domestic Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s) of the Company
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Supervisor(s)"	member(s) of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company
"treasury share(s)"	has the meaning ascribed to it under the Listing Rules
"subsidiary(ies)"	has the meaning ascribed to it under section 15 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
"%"	per cent

By order of the Board
Breton Technology Co., Ltd.
Mr. Chen Fangming
Chairman, General Manager and Executive Director

Hong Kong, August 27, 2025

As at the date of this announcement, Directors are (i) Mr. Chen Fangming, Dr. Qiu Debo, Mr. Sun Kanghua and Ms. Yang Hui as executive Directors; (ii) Mr. Cao Haiyi and Mr. Wang Zhenkun as non-executive Directors; and (iii) Mr. Zhou Yuan, Dr. Li Xiaofu, Dr. Jiang Bailing and Mr. YIM, Chi Hung Henry as independent non-executive Directors.