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(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2018)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Director(s)**") of AAC Technologies Holdings Inc. ("**AAC Technologies**" or the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 ("**1H 2026**") together with the comparative figures for the corresponding period in 2025 ("**1H 2025**").

The Group's condensed consolidated financial statements for 1H 2026 as set out in this announcement (the "**Condensed Consolidated Financial Statements**") have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu and the Company's audit and risk committee (the "**Audit and Risk Committee**") and approved by the Board on 20 August 2026.

2026 INTERIM RESULTS HIGHLIGHTS (UNAUDITED):

(RMB Million)	1H 2026	1H 2025	Year-on-Year ("YoY") %
Revenue	14,506	13,318	+8.9%
Gross Profit	3,244	2,754	+17.8%
Gross Profit Margin	22.4%	20.7%	+1.7ppts
Net Profit*	901	876	+2.9%
Net Profit Margin	6.2%	6.6%	-0.4ppts
Basic EPS (RMB)	0.79	0.76	+3.9%
Share Numbers (Weighted average, million)	1,141	1,159	

* Net profit represents profit attributable to owners of the Company.

BUSINESS AND MARKET REVIEW

In the first half of 2026 ("**1H 2026**"), driven by the rapid advancement of artificial intelligence ("**AI**") and the subsequent surge in demand for various types of chips, the global semiconductor supply chain underwent a reallocation of production capacity. This led to elevated prices for traditional memory chips, exerting cost pressures on various downstream industries. According to preliminary data from IDC, global smartphone shipments declined by 4.1% and 6.7% YoY in the first and second quarters of 2026, respectively. Meanwhile, with the continuous iteration of large AI models, the user-AI interaction paradigm is evolving from assistant-based dialogue to agentic AI capable of executing more complex tasks, unlocking new growth opportunities for the intelligent evolution of edge devices.

Against this backdrop, the Group remained committed to innovation, capitalized on emerging industry trends, and accelerated the R&D and delivery of new on-device AI products. As a result, the Group's revenue reached a record high of RMB14.51 billion, representing a YoY growth of 8.9%, with acoustics and electromagnetic drives business, automotive acoustics business, and heat dissipation business serving as the primary growth drivers. The Group's gross margin stood at 22.4%, up by 1.7 percentage points ("**ppts**") YoY, primarily driven by a more favorable product mix and higher operational efficiency. Reported net profit increased by 2.9% YoY to RMB901 million, whereas excluding Other gains and losses relating to fair value gains and losses, the underlying growth in net profit for 1H 2026 increased by 37.4%.

During the reporting period, the Group's net cash generated from operating activities was RMB1.91 billion. The Group continued to optimize operational efficiency, with cash conversion cycle improving by 30 days to less than 20 days as compared to that as at 30 June 2025. Capital expenditure ("**CAPEX**") was RMB1.23 billion. As at 30 June 2026, the Group's cash on book (including short-term fixed deposits) stood at RMB7.07 billion. The Group will continue to enhance operational efficiency and maintain a disciplined capital expenditure policy, and utilize the strong operating cash flow generated to underpin its long-term sustainable growth and innovation initiatives.

Under the current dividend policy approved by the Board, the Group will continue to implement a final dividend payout ratio of 15% with no interim dividend. The Group remains committed to a prudent approach in financial management and to maintaining a strong cash position to support business development and future innovation, creating sustainable value for shareholders of the Company (the "**Shareholders**").

PERFORMANCE AND DEVELOPMENT OF BUSINESS SEGMENTS

Acoustics and Electromagnetic Drives Business

The Group continues to expand its electromagnetic product portfolio, accelerating innovation and achieving breakthroughs across diverse electromagnetic drive technologies, including micro acoustics, robotic motors, active cooling solutions, and gimbal modules. To align with industry trends, the former acoustics business and electromagnetic drives business have been consolidated and renamed as the acoustics and electromagnetic drives business. In 1H 2026, the acoustics and electromagnetic drives business generated revenue of RMB6.01 billion, representing a YoY increase of 14.2%. Its gross profit margin was 28.6%, up 0.7 ppts YoY, while the gross margin of acoustics business expanded by 0.9 ppts. The Group continued to lead in vertically integrated innovation in the premium smartphone market and further increased its market share among major customers.

During the reporting period, the acoustics and electromagnetic drives segment secured key breakthroughs across several new business lines. In particular, the Group's active cooling fans, leveraging high-precision electromagnetic design and simulation, together with advanced precision manufacturing technologies, achieved superior electromagnetic efficiency. Relevant projects have successfully passed customer certification and are expected to become standard configurations for high-end models, with further expansion into markets such as servers and robotics.

In the robotics sector, the Group's robotic motors and modules secured project design wins from several leading global customers, with certain projects already entering mass production. In addition, leveraging its strengths in self-developed core components and complete robot assembly capabilities, the Group is strategically expanding its robot system business, with relevant projects expected to enter mass production by the end of 2026. These new businesses will inject sustained growth momentum into this segment and create new growth drivers.

Automotive Acoustics Business

Despite pressures on sales in the automotive market in 1H 2026, the Group actively expanded its customer base and capitalized on the strong demand arising from the global expansion of Chinese automakers. By persistently promoting vertically integrated, complete acoustic solutions encompassing speakers, amplifiers, microphones, system architecture, and professional tuning, revenue generated from the automotive acoustics business grew notably by 23.1% to RMB2.23 billion. Gross margin was 20.1%, down 3.2 ppts YoY, mainly due to intensified competition in the automotive industry, increased revenue contribution from the amplifier products, and geopolitical tensions that caused higher prices for magnets and other raw materials.

As intelligent cockpits gain rapid adoption and increasingly become a key product differentiator, automakers are placing greater emphasis on crafting system-level audio experiences within the cabin. By fully leveraging synergies across hardware, algorithms, tuning, and cabin layouts, and backed by a cooperative ecosystem of global top-tier Hi-Fi brands, the Group saw a significant increase in order volumes for its highly customized, high-end branded audio system solutions for automotive original equipment manufacturers ("**OEMs**") in 1H 2026. In addition, the Group custom-developed core solutions for customers, including an "M"-shaped titanium-diaphragm tweeter, a 40-channel amplifier, and a front-cabin subwoofer utilizing coil disc drive ("**CDD**") technology, further consolidating its leading position in the high-end acoustics market.

As a global leader in acoustics solutions, the Group has achieved deep integration with Premium Sound Solutions ("**PSS**"). Leveraging its manufacturing facilities in Germany, Belgium, Malaysia, and Mexico, together with years of localized operational experience, the Group has built a highly resilient and agile global supply chain. This enables flexible deployment of global production resources to support domestic automakers' global expansion and localized delivery needs. The Group's global footprint and flexible supply chain allocation underpin its strong competitive edge in a highly competitive industry.

Optics Business

In 1H 2026, revenue generated from the optics business was RMB2.05 billion, representing a YoY decrease of 22.7%, primarily due to lower shipment volumes of camera modules and lenses amid declining global smartphone sales. However, benefiting from the Group's unwavering premiumization strategy and proactive optimization of its product mix, the average selling prices ("**ASPs**") of both modules and lenses recorded double-digit YoY growth, partially offsetting the impact of lower shipment volumes on revenue. Gross margin stood at 10.2%, flat YoY.

The Group continued to expand the adoption of mid- to high-end lenses in flagship models, securing design wins for 5P lenses in a major customer's flagship model for the first time. During the period, plastic lenses of 6P and above specifications accounted for nearly 20% of shipment volume, while shipments of 7-element lenses, including 7P plastic lenses and 1G6P hybrid lenses, reached approximately 6.50 million units, further reinforcing the Group's leadership in high-end optical innovation. In terms of camera modules, the Group continued to optimize its shipment mix. Modules of 32MP and above accounted for over 50% of total module shipments, up by 16 ppts YoY, with optical image stabilization ("**OIS**") modules representing over 20% of the total shipments. Benefiting from its vertical integration capabilities in high-end modules and its in-house manufacturing capabilities for key components, the Group successfully secured design wins for main camera modules, periscope modules, and gimbal main camera modules in customers' flagship models scheduled for release in the second half of the year.

In terms of AR, by integrating Dispelix, a global leader in optical waveguides, with its own dedicated light engine team, the Group provides a one-stop optical system design and simulation solution covering waveguide and light engine. This marks the Group's transformation from a micro-component supplier into an end-to-end AR display module solution provider. Featuring core advantages such as high brightness, low power consumption, compact size, and high image quality, the Group, backed by leading product performance and mature mass-production capabilities, has become the industry's first company to achieve volume delivery of full-color light engines, with such deliveries serving top-tier customers. Regarding single-layer surface relief grating ("**SRG**") diffractive optical waveguides, the Group is the first in the industry to achieve mass production using etching processes. Featuring a large field of view ("**FoV**"), single-layer full color, lightweight profile, and crystal-clear image quality, its optical waveguide lens products have successfully passed performance and reliability tests conducted by multiple global leading terminal customers and secured design wins for multiple mass-production projects, laying a solid customer foundation to capitalize on future growth opportunities in the industry.

Wafer-Level Glass ("**WLG**") has also made significant progress in non-smartphone sectors. The Group has developed a variety of glass lenses and lens array solutions for optical communications, AI smart glasses, and automotive clients, thereby expanding into new application scenarios. Particularly in the optical communications sector, Co-Packaged Optics ("**CPO**"), as a key technology direction for next-generation high-speed optical interconnects, imposes stringent requirements on optical alignment, making it a critical application scenario for WLG technology. WLG molding technology offers advantages in high precision, superior consistency, and large-scale mass production: material-wise, WLG utilizes glass as the base material, perfectly matching CPO's strict requirements for thermally stable, optically stable, and durable lens components; precision-wise, WLG supports the array-level high alignment precision required by CPO through mold precision lock-in and wafer-level processing; efficiency-wise, WLG delivers a mass-production solution that balances precision and efficiency through array molding, 4-inch wafer multi-cavity molding, and passive alignment design. These advantages lay a solid foundation for achieving micro-lens arrays ("**MLA**") with a pitch within 1 μ m and a lens profile accuracy below 250nm, as well as fiber V-grooves. Currently, the Group is actively engaging in technical exchanges, factory audits, and sample submissions with leading overseas optical communications enterprises, including top-tier companies providing high-speed interconnect chips for AI and cloud infrastructure.

Precision Mechanics and Heat Dissipation Business

In 1H 2026, revenue generated from the precision mechanics and heat dissipation business grew by 12.5% YoY to RMB3.25 billion, primarily driven by rapid growth in the heat dissipation business. Gross margin stood at 23.1%, representing a significant YoY increase of 4.1 ppts. Revenue generated from the heat dissipation business surged by approximately 400% to RMB1.10 billion, primarily driven by the continued ramp-up in shipments of high-performance innovative vapor chambers ("VCs"). Mass production preparations for the next-generation products are also progressing smoothly.

The Group maintains its position among global leading players in consumer electronics thermal management market and ranks among China's top-3 AI-server liquid cooling providers by market size. In AI computing, server-grade high-capacity DRAM, SSDs, and 1.6T optical transceivers are facing mounting thermal challenges amid specification upgrades. The Group is actively collaborating with leading industry players to explore new solutions, including the integration of VCs and the optimization of metal enclosures, unlocking further growth potential. In the data center liquid cooling segment, the Group is advancing a dual-market expansion strategy covering both domestic and overseas markets. Yuandi (Guangzhou) Digital Technology Co., Ltd., a subsidiary of the Group, commenced mass production and global batch deliveries of its ATAHORAN series 2.2MW and 2.6MW centralized liquid-cooling coolant distribution units ("CDUs"). By reaching a monthly delivery capacity of over 600 units, the subsidiary has firmly established itself among the industry's leading players. The smartphone casing business recorded revenue of RMB1.53 billion, down 13.5% YoY, mainly due to pressure on ASPs. Nonetheless, the Group's market share in flagship models continued to expand despite the broader market trend, with shipment volume delivering double-digit YoY growth, partially offsetting the impact of lower ASPs on revenue.

Sensor and Semiconductor Business

In 1H 2026, revenue generated from the sensor and semiconductor business reached RMB858 million, representing a YoY increase of 41.0%. This growth was primarily driven by the Group's high share of business with major customers and its stable delivery capabilities, as well as volume shipments of new products such as voice-pick accelerometers ("VACCs") and micro-electro-mechanical systems ("MEMS") speakers. Gross margin stood at 14.6%, representing a YoY improvement of 2.5 ppts, mainly due to the increased contribution of mid- to high-end microphones to the product mix. Voice has emerged as a key modality of human-LLM interaction in the AI era, and the Group continues to enable and support voice upgrades in customers' high-end flagship devices. In the extended reality ("XR") sector, the Group secured a design win for an overseas customer's AI glasses project, leveraging the competitive advantages of its microphones, including high signal-to-noise ratio ("SNR"), high reliability, and superior waterproof performance. Stable shipments for this project are expected to commence in the second half of the year.

Furthermore, the Group extended MEMS technology to thermal management. Drawing on nearly two decades of product development and technological expertise in MEMS design and manufacturing, the Group integrated capabilities across key piezoelectric thin-film material research, actuator chip structural design and simulation, wafer-level manufacturing process optimization, and customized packaging solution development. Consequently, the Group's CoolFan series active cooling chip products successfully achieved small-batch trial production in the first half of the year. This milestone further enriches the Group's AI thermal management product portfolio and demonstrates its strong cross-disciplinary capabilities and end-to-end integration expertise.

STRATEGY DEVELOPMENT AND OUTLOOK

The year 2026 marks the accelerated evolution of large AI models from simple question-and-answer systems into agentic AI capable of executing more complex tasks, while laying a solid foundation for the future development of edge AI and embodied AI. Building on its technology platforms in acoustics, optics, electromagnetics and precision manufacturing, the Group remains committed to innovation and actively advances the development and application of AI.

To capitalize on AI industry growth opportunities, the Group will deepen the ongoing integration of its acoustics and electromagnetic drives business segments, fostering synergies across technologies, production capacity, and customer resources. While solidifying its core position in consumer electronics, the Group will expand into emerging tracks such as AI terminals, humanoid robotics, and smart cockpits, delivering comprehensive solutions that enhance product value and drive long-term business growth potential.

Looking ahead, the Group will capitalize on emerging strategic opportunities with RMB10-billion-scale revenue potential, including edge AI hardware, data center liquid cooling, XR, robotics and intelligent cockpits. The Group will continue to enhance its core competitiveness and resilience, further consolidate its market-leading position, create greater value for our customers, and deliver stronger returns to Shareholders.

FINANCIAL REVIEW

Revenue

1H 2026 Group revenue increased YoY by 8.9%, to RMB14.51 billion. As discussed under "BUSINESS AND MARKET REVIEW" above, revenue generated from the acoustics and electromagnetic drives products, automotive acoustics products, precision mechanics and heat dissipation products and sensor and semiconductor products increased by RMB746 million, RMB420 million, RMB361 million and RMB250 million respectively, while revenue generated from optics products decreased by RMB601 million.

Gross Profit and Gross Profit Margin

1H 2026 gross profit was RMB3.24 billion, representing an increase of 17.8% from RMB2.75 billion in 1H 2025. The rise in gross profit was mainly attributable to higher gross profit from acoustics and electromagnetic drives products, and precision mechanics and heat dissipation products.

Gross profit margin increased to 22.4% in 1H 2026, up from 20.7% in 1H 2025. The increase in gross profit margin was mainly due to improvement in product mix of precision mechanics and heat dissipation, acoustics and sensor and semiconductor.

Other Income and Expenses, Gains and Losses

Net other income and expenses, gains and losses decreased by RMB177 million. The decline was primarily attributable to the non-recurrence of a fair value gain on contingent consideration payables related to PSS recorded in 1H 2025 (please refer to note 20 to the Condensed Consolidated Financial Statements).

Administrative Expenses

Administrative expenses were RMB673 million in 1H 2026, representing a 5.7% increase from RMB637 million in 1H 2025. The ratio of administrative expenses to revenue decreased from 4.8% to 4.6% in 1H 2026.

Distribution and Selling Expenses

Distribution and selling expenses were RMB399 million in 1H 2026, rising by 16.5% from RMB343 million in 1H 2025. The increase was primarily driven by new business development and acquisition of subsidiaries.

Research and Development Expenses

R&D expenses in 1H 2026 were RMB1,211 million, up 21.4% from RMB998 million in 1H 2025. The higher R&D spending is attributable to the Group's increased investments in key areas supporting potential future high growth, such as heat dissipation, AR/VR products and other future AI-enabled devices.

Finance Costs

Finance costs in 1H 2026 were RMB214 million, 14.9% higher than RMB186 million in 1H 2025. The increase in finance costs was mainly attributable to the increase in bank loans drawn by the Group in 1H 2026, while the unsecured notes of RMB1,568 million (1H 2025: nil) were repaid in June 2026, resulting in a higher average bank loan balance during the period.

Taxation

Taxation expenses of the Group were calculated based on the assessable profits of the subsidiaries at the rates prevailing in the relevant jurisdictions. Taxation expenses in 1H 2026 amounted to RMB96 million. The effective tax rate reduced from 15.6% to 9.4% in 1H 2026, which was primarily driven by the utilization and recognition of previously unrecognized tax losses reflecting the expected continued improvement in the subsidiaries' profitability.

Profit attributable to the Owners of the Company

Reported profit attributable to the owners of the Company for 1H 2026 was RMB901 million, an increase of 2.9% from RMB876 million in 1H 2025. The increase was mainly driven by the improvement in gross profit, partially offset by the non-recurrence of the fair value gain on contingent consideration payables relating to PSS recorded in 1H 2025, and by additional investment in new R&D projects.

Earnings before Interest, Taxes, Depreciation and Amortization

As compared with the same period of last year, the EBITDA for the 12-month period ended 30 June 2026 increased by 6.3% to RMB6,280 million.

LIQUIDITY AND FINANCIAL RESOURCES

The Group has always emphasized financial discipline and continues to maintain a strong liquidity position. Cash flows from (used in) our operating, investing and financing activities, are as below:

	For the six months ended 30 June	
	2026	2025
	RMB million	RMB million
Net cash from operating activities	1,914	2,893
Net cash (used in) investing activities	(3,635)	(1,983)
Net cash (used in) financing activities	(1,383)	(830)

Operating Activities

Cash inflow from operating activities was mainly generated from cash receipts from the Group's sales. Cash outflows were related to raw material purchases, payroll, distribution and selling expenses, expenses incurred in R&D, administrative items and taxation charges. Net cash generated from operating activities was RMB1,914 million for 1H 2026 (1H 2025: RMB2,893 million).

i. Trade Receivables and Payables

As at 30 June 2026, turnover days of trade receivables decreased by 8 days to 76 days as compared to 31 December 2025. Trade receivables decreased by RMB1.40 billion to RMB5.42 billion. Aging of trade receivables (net of allowance for doubtful debts) based on invoice dates between 0–90 days, 91–180 days and over 180 days were RMB5,314 million (31 December 2025: RMB6,674 million), RMB100 million (31 December 2025: RMB139 million) and RMB8 million (31 December 2025: RMB7 million) respectively. The Company has received subsequent settlement totaling RMB2,366 million up to 31 July 2026, representing 43.6% of the total amount outstanding, net of allowances, as at the end of the reporting period.

The Group's trade payables turnover days increased by 20 days to 135 days as compared to 31 December 2025. Trade payables decreased by RMB0.68 billion to RMB8.03 billion. Aging of trade payables based on invoice dates between 0–90 days, 91–180 days and over 180 days were RMB6,187 million (31 December 2025: RMB6,700 million), RMB1,738 million (31 December 2025: RMB1,950 million) and RMB108 million (31 December 2025: RMB61 million) respectively.

ii. Inventory Turnover

As at 30 June 2026, the inventories increased by RMB0.42 billion compared to 31 December 2025. The inventory turnover days increased to 76 days as at 30 June 2026 from 62 days for 31 December 2025.

Investing Activities

Net cash used in investing activities in 1H 2026 amounted to RMB3,635 million (1H 2025: RMB1,983 million). It mainly represents the cash used in CAPEX of RMB1,599 million (1H 2025: RMB1,457 million), placement of short-term fixed deposits of RMB1,720 million (1H 2025: RMB72 million), acquisition of subsidiaries of RMB262 million (1H 2025: RMB241 million), addition of intangible assets of RMB219 million (1H 2025: RMB194 million), and acquisition of financial assets at FVTPL of RMB52 million (1H 2025: RMB169 million), offset by cash inflows from interests received of RMB126 million (1H 2025: RMB81 million).

CAPEX included acquisition of land use rights, additional production plant and property, and, latest automation machinery and equipment for modifications and upgrades as well as capacity expansion. For 1H 2026 and 1H 2025, total CAPEX incurred was RMB1,231 million and RMB1,444 million respectively. Investing activities are focused on sustained CAPEX programs in building technology platform per the Group's business progress to capture new market opportunities and support its long-term business strategies. CAPEX is funded by internal resources and bank loans, and is subject to annual CAPEX budgeting and approval by the Board.

Financing Activities

The Group recorded net cash outflows from financing activities of approximately RMB1,383 million for 1H 2026. Major outflows were due to repayment of bank loans and unsecured notes of RMB2,864 million (1H 2025: RMB1,206 million), return of capital contributions from non-controlling interests of a subsidiary of RMB440 million (1H 2025: RMB70 million), dividends paid of RMB354 million (1H 2025: RMB251 million), shares repurchased of RMB285 million (1H 2025: RMB723 million), and interests paid of RMB206 million (1H 2025: RMB180 million), and major inflows from bank loans raised of RMB2,649 million (1H 2025: RMB1,760 million).

Cash and Cash Equivalents and Short Term Fixed Deposits

As at 30 June 2026, the unencumbered cash and cash equivalents and short term fixed deposits of the Group amounted to RMB7,072 million (31 December 2025: RMB8,612 million), of which 75.0% (31 December 2025: 85.6%) was denominated in US dollar, 20.7% (31 December 2025: 10.3%) in RMB, 1.9% (31 December 2025: 1.5%) in Euros, 0.8% (31 December 2025: 1.0%) in Singapore dollar, 0.3% (31 December 2025: 0.1%) in Danish Krone, 0.3% (31 December 2025: 0.3%) in Hong Kong dollar, 0.2% (31 December 2025: 0.3%) in Vietnamese Dong and 0.8% (31 December 2025: 0.9%) in other currencies.

Gearing Ratio and Indebtedness

As at 30 June 2026, the Group's gearing ratio, defined as total loans and unsecured notes divided by total assets, was 19.7% (31 December 2025: 19.6%). Netting off cash and cash equivalents and short term fixed deposits, net gearing ratio was 4.7% (31 December 2025: 2.1%).

As at 30 June 2026, the unsecured notes of the Group were RMB1,963 million (31 December 2025: RMB3,642 million), the short-term bank loans and long-term bank loans of the Group amounted to RMB1,929 million (31 December 2025: RMB383 million) and RMB5,422 million (31 December 2025: RMB5,592 million) respectively.

Charges on Group Assets

As at 30 June 2026, certain assets of the Group with an aggregate carrying value of RMB16 million (31 December 2025: RMB13 million) were pledged as security for bank loan and other debts of the Group.

Contingent consideration payables

Details of contingent consideration payables are included in note 19 to the Condensed Consolidated Financial Statements.

OFF-BALANCE SHEET TRANSACTIONS

As at 30 June 2026, the Group had not entered into any material off-balance sheet transactions.

KEY RISK FACTORS

The Company is committed to building sustainable risk management and operational information systems. We have been focusing on systematic review and upgrading our risk and control measures in chosen business processes, benchmarked against international best practices. Such systems are designed to manage the risk of failure to achieve business objectives, and can provide reasonable assurance against material misstatement or loss. Certain key risk factors affecting the Group are outlined below. The list of these factors is non-exhaustive, and there may be other risks and uncertainties which are not known to the Group or which may be immaterial now but could become material in the future.

The Board recognizes its joint responsibility for supervising the risk management and internal control systems, including the environmental, social, and governance ("**ESG**") risks of the Group, and for annually reviewing their effectiveness via the Audit and Risk Committee and the Sustainability Committee (collectively referred to as the "**Two Committees**"). The Audit and Risk Committee helps the Board carry out its corporate governance duties in overseeing the Group's strategic, market, operational, financial, and compliance risks, as well as the resourcing of both financial and internal audit functions. Meanwhile, the Sustainability Committee is in charge of climate, health and safety, and cyber-security risks, along with ESG performance and reporting compliance.

The Company has set up an enterprise risk management ("**ERM**") framework to effectively identify, evaluate, mitigate, and monitor sustainability risks. The Board and the Two Committees are committed to improving their governance practices by making sure that there are robust mechanisms for comprehensive risk supervision. Through continuous commitment to the ERM framework, the Group aims to foster a culture of accountability and transparency in managing sustainability risks.

Risks Pertaining to the Smartphone Market

A substantial part of the Group's revenue is derived from the smartphone sector of the consumer electronics market. Currently, the escalating memory costs resulting from supply chain constraints present headwinds to the smartphone market, which may result in lower shipment volume and may affect our operating results and financial performance. These risks, however, are being actively counterbalanced by the Group's strategic expansion into high-growth, AI-enabled sectors, including datacenter liquid cooling, XR, automotive technologies, and robotics. By broadening our technological platforms and diversifying our portfolio, the Group aims to reduce the risk of single-market concentration and capitalize on emerging demand for AI sensory infrastructure.

Reliance on a Number of Key Customers

The Group's five largest customers, which accounted for 70.9% of the Group's total revenue for 1H 2026, are all related to the consumer smart devices industry, characterized by innovation-driven and user experience-oriented business growth. Loss of or changes in market position of any of these customers may materially and adversely affect the Group's business, financial condition and results of operations. Nevertheless, the Group has focused on technology innovation to continuously enhance user experience meeting customers' specification upgrade needs. We have also implemented standardized procedures for handling all forms of customer information to ensure it is not improperly or inadvertently disclosed to third parties. The Group has established strong relationships with these major customers; all of them have been our long-standing customers with good credit records.

Production Disruption due to Unforeseeable Events and Supply Chain Adversities

Geopolitical events among different nations may impose unpredictable impacts on the global markets and the Company, such as disruptions to the global supply of commodities, including base metals, and increases in commodity prices. Any continuous increase in the prices of raw materials might lead to margin compression. Furthermore, geopolitical uncertainties may directly or indirectly impact the Group's customers, which in turn may disrupt supply chain and impact end-consumer demand. Supply chain challenges in meeting environmental, health and safety standards may also adversely affect production schedules, which may potentially result in customer dissatisfaction, reputational damage and financial losses. These are the transition risks in relation to policy and legal risk and market risk.

To address these risks, the Group established the Quality and Operations Committee. The committee actively monitors the regulatory environment and allocates resources to plan and comply with regulatory requirements and customer demands. A robust quality management system has been implemented to ensure that all production facilities are certified under the International Organization for Standardization ("ISO") standards for quality management and the International Electrotechnical Commission Quality Assessment System for Electronic Components standards for electronic component quality. The Company conducts internal and external audits every year to ensure the efficacy of its product quality and procurement channels. Additionally, the Group has established a robust supplier management process and adopted a long-standing supplier code of conduct, requiring suppliers to maintain compliance with various standards, including labor and human rights protections, health and safety regulations, and environmental safeguards. Ultimately, this will lead to the development of low-carbon supply chain. This proactive approach not only mitigates risks but also enhances the overall resilience of the supply chain.

Operational, Technology Obsolescence and ESG Considerations

The Group's operations include design and delivery of innovative technology solutions. Our business remains dedicated to advancing miniature components while developing cutting-edge products and technology platforms. However, changes in technological design and performance specifications or related external factors linked with ESG considerations may have various levels of negative impact on our operational outcome. In meeting future design specifications and production quality requirements, the Group has implemented robust processes to ensure standards are met.

The Group ensures that its new technology solutions and miniature components align with sustainability standards. This includes applying eco-friendlier materials, and ceasing the use of conflict minerals, promoting energy efficiency, and considering the recyclability of products. Changes in environmental regulations or shifts in consumer preferences towards more sustainable products could impact the Group's operations and lead to product obsolescence, necessitating a proactive approach to environmental considerations in product design and development. The Group has established a quality management system that ensures all products undergo thorough testing to meet customer requirements, hazardous waste management requirements and international standards. This system, which is part of our operational "big data" system, is continuously evaluated and improved internally.

The Group's annual budget includes significant investment in R&D in order to build sustainable technology roadmaps, explore more sustainable revenue stream products and intellectual property portfolios. As data security is a critical concern, the Group treats information security as a strategic priority. The Group has implemented comprehensive measures to protect data assets from breaches, leaks, and hacks, which are also essential for maintaining customer trust and avoiding reputational damage. Moreover, adhering to social standards and regulations, such as the Ethical Trading Initiative and Social Accountability 8000 International Standard, the Group constantly considers social impact of its technologies, ensuring social equalities and that positive contributions are made to society.

Climate Resilience and Adaption

Many governments, regulators, investors, employees, customers and other stakeholders are increasingly focused on ESG considerations relating to businesses, such as climate change, suppliers' compliance with ESG criteria and human resources management. In addition, the Company makes statements about its goals and initiatives through its various non-financial reports, information provided on its website, press statements and other communications, responding to these ESG considerations and implementing these initiatives involve risks and opportunities.

The Company has published stand-alone annual Sustainability Reports since 2012. Continuously, ESG-related reporting obligations and compliance practices are to evolve, which may expose the Group to increased costs, reputational risks and other potential adverse effects, such as increased attention to climate change. Climate change presents significant and acute transition risks to businesses and communities globally. Prolonged and extreme weather increases operational complexities, as well as manufacturing and maintenance costs. Furthermore, employees' health may also be impacted. Trending customers' preference for green products may impact revenue due to change in product demands. The enactment of more stringent laws and regulations relating to environmental impact may also increase our compliance costs.

The Group has established the Sustainability Committee and reorganized the Sustainability Working Group in 2024. A comprehensive Climate Change Policy has been implemented to drive sustainability progress and manage climate impacts through mitigation, adaptation, and resilience strategies. Following the identification of flooding as a material acute physical risk at the Group's key factory sites, the Group has advanced both existing and forward-looking mitigation measures to ensure operational stability. Also, our commitment to integrating climate-related issues into our sustainability management system includes the ISO standard of environmental management and energy management. To enhance long-term energy conservation opportunities, the Group continues to adopt energy-saving technologies, establish energy-efficiency facilities and develop sustainable products.

Liquidity and Interest Rate Risk

The Group manages liquidity risk by maintaining an adequate level of cash and cash equivalents through continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group is exposed to interest rate risks on its bank loans for working capital and CAPEX that are associated with the expansion of the Group. The Group focuses on mitigating the liquidity and interest rate risks, with an appropriate mix of RMB/USD borrowings that are constantly reviewed and adjusted. The Group's USD deposits served as a natural hedge against the risk of interest rate volatilities to some extent. The Group also maintains an appropriate mix of fixed/floating rate debts, an even debt repayment profile and a diversified source of funding, including unsecured notes. As at 30 June 2026, over 54.7% of debts were fixed rate debts.

The Group's financial assets include cash and cash equivalents, short term fixed deposits, pledged bank deposits, restricted bank deposits, trade and other receivables, amounts due from related companies, derivative financial instruments, financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income, which represent the Group's maximum exposure to credit risk in relation to financial assets. The credit risk on liquidity is limited because the counterparties are established banks with good credit ratings.

Foreign Exchange Risks

Given our international operations and presence, the Group faces foreign exchange exposures including transaction and translation exposures that could impact the reported results. The Group's current reporting currency is RMB and our sales outside China are predominantly denominated in USD.

The Group centralizes foreign exchange management to monitor total foreign currency exposure, net exposures across subsidiaries and, if necessary, consolidate hedging transactions with banks. The Group's revenues and expenditures are mostly denominated in RMB and USD, as are the majority of its assets and liabilities. Over time, the Group's cash inflows and outflows denominated in RMB and USD are broadly matched in proportion. In addition, the Group generally maintains bank facilities denominated in RMB and USD to finance its working capital and capital expenditure requirements. Where a natural hedge is not possible, the Group will mitigate foreign exchange risks via appropriate foreign exchange contracts.

On-going Global Trade Frictions and Geopolitical Risks

Prolonged trade frictions coupled with geopolitical instability in key regions might lead to a slowdown in the global consumer electronics and automotive markets and a decline in orders by the key customers of the Group, which could have a material adverse effect on the Group's business, results of operations and financial conditions. Furthermore, other related regulations and government measures including tariffs, export controls, economic sanctions and similar regulations may include additional costs, restrictions and prohibitions on the sale or supply of certain products and on the transfer of parts, components, and related technical information and know-how to certain countries, regions, governments, persons and entities.

The Group is committed to complying with applicable laws and regulations related to export controls and economic sanctions. As at the date of this announcement, the Group's results of operations have not been materially affected by the expansion of relevant laws and regulations such as export controls and economic sanctions, or the new rules or measures adopted to counteract them. Nevertheless, depending on future developments in the global trade tensions, there is no assurance that such regulations, rules, or measures will not have an adverse impact on the Group's business and operations.

The Group has implemented a trade control compliance management system and has set up a trade compliance committee for overall management of the Group's trade compliance initiatives. The Trade Compliance Department coordinates with and support other departments on trade compliance matters. The Group's dedication to R&D to develop proprietary innovative technologies, and the Group's strategy in integrating R&D all over the world with our diversified manufacturing bases should help to continue to provide the best solutions to customers and mitigate some of the adverse business impact of the trade frictions and geopolitical risks.

PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS

The performance and results of operation of the Group as set out in this announcement are historical in nature and past performance is not a guarantee of future performance. This announcement may contain certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board regarding the industry and markets in which it operates. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this announcement; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialize or turn out to be incorrect.

Besides, this announcement does not constitute a recommendation or advice for anyone to invest in the securities of the Company. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the securities of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

		1.1.2026 to 30.6.2026 RMB'000 (Unaudited)	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)
	<i>NOTES</i>		
Revenue	3	14,506,449	13,318,486
Cost of goods sold		(11,262,324)	(10,564,816)
Gross profit		3,244,125	2,753,670
Other income and other expenses		241,274	221,278
Other gains and losses		27,272	223,784
Share of results of an associate		367	294
Distribution and selling expenses		(399,048)	(342,628)
Administrative expenses		(673,383)	(637,186)
Research and development costs		(1,211,437)	(997,966)
Finance costs		(214,107)	(186,407)
Profit before taxation	4	1,015,063	1,034,839
Taxation	5	(95,754)	(161,623)
Profit for the period		919,309	873,216
Profit (loss) for the period attributed to non-controlling interests		18,011	(2,456)
Profit for the period attributed to owners of the Company		901,298	875,672
Earnings per share			
- Basic	7	RMB0.79	RMB0.76
- Diluted	7	RMB0.79	RMB0.76

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	1.1.2026 to 30.6.2026 RMB'000 (Unaudited)	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)
Profit for the period	919,309	873,216
Other comprehensive income:		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Fair value changes on equity instruments at fair value through other comprehensive income ("FVTOCI")	74,083	(26,835)
Remeasurement to defined benefit obligations	(390)	(108)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	(284,265)	67,443
Fair value changes on derivative financial instruments	-	430
Loss reclassified to profit or loss on hedged items	-	71,379
Total comprehensive income for the period	<u>708,737</u>	<u>985,525</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	690,479	982,280
Non-controlling interests	<u>18,258</u>	<u>3,245</u>
	<u>708,737</u>	<u>985,525</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	8	17,802,371	18,329,097
Right-of-use assets	8	2,110,334	2,203,363
Goodwill		2,717,405	2,282,612
Intangible assets		2,372,504	1,639,064
Deposits made for acquisition of property, plant and equipment		623,404	252,560
Investment properties		278,754	281,601
Interest in an associate		3,751	3,389
Equity instruments at FVTOCI	9	712,426	645,587
Financial assets at fair value through profit or loss ("FVTPL")	10	531,466	650,327
Contract costs		53,290	55,953
Deferred tax assets		521,317	431,839
Derivative financial instruments		-	770
		<u>27,727,022</u>	<u>26,776,162</u>
Current assets			
Inventories		4,949,506	4,531,796
Trade and other receivables	11	7,564,461	8,982,099
Amounts due from related companies		2,252	2,660
Taxation recoverable		48,540	54,925
Derivative financial instruments		5,708	5,554
Pledged bank deposits		11,989	13,000
Restricted bank deposits		8,030	-
Short term fixed deposits		1,666,696	-
Cash and cash equivalents		5,405,549	8,612,298
		<u>19,662,731</u>	<u>22,202,332</u>
Current liabilities			
Trade and other payables	12	10,696,007	11,682,169
Contract liabilities		111,403	105,257
Amounts due to related companies		61,844	61,845
Taxation payable		151,172	173,200
Bank loans	13	1,928,903	382,922
Unsecured notes	14	-	1,617,075
Government grants		74,035	46,566
Lease liabilities		373,418	514,098
Derivative financial instruments		695	2,200
Contingent consideration payables	19	43,994	-
Contingent settlement provision	15	272,690	268,250
		<u>13,714,161</u>	<u>14,853,582</u>
Net current assets		<u>5,948,570</u>	<u>7,348,750</u>
Total assets less current liabilities		<u>33,675,592</u>	<u>34,124,912</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION -
continued**

AT 30 JUNE 2026

	<i>NOTES</i>	30.6.2026 RMB'000 (Unaudited)	31.12.2025 <i>RMB'000</i> (Audited)
Non-current liabilities			
Bank loans	13	5,421,896	5,592,169
Unsecured notes	14	1,963,083	2,024,672
Government grants		402,622	465,194
Lease liabilities		674,318	699,375
Deferred tax liabilities		487,653	391,288
Defined benefit obligations		6,755	7,544
Derivative financial instruments		-	1,303
		8,956,327	9,181,545
Net assets		24,719,265	24,943,367
Capital and reserves			
Share capital	16	97,321	97,321
Reserves		23,999,560	24,259,511
Equity attributable to owners of the Company		24,096,881	24,356,832
Non-controlling interests		622,384	586,535
Total equity		24,719,265	24,943,367

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands with its shares listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**").

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim financial reporting" as issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the functional currency of the Company.

The condensed consolidated financial statements have not been audited but have been reviewed by the external auditor of the Company.

2. MATERIAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the annual consolidated financial statements of the Company and its subsidiaries (collectively referred as the "**Group**") for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standard

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board, for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11

The Directors of the Company consider that the application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Operating and reportable segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's key operating decision makers in order to allocate resources to the segments and assess their performance.

Information reported to the key operating decision makers for the purposes of resource allocation and assessment of performance focuses specifically on the type of products sold. This is also the basis upon which the Group is organised and managed.

Effective from 1 January 2026, the Group reorganised its internal reporting and governance structure to better reflect its updated business strategies and align with resource allocation. Consequently, the Group's key operating decision makers start review information under a new reporting structure, and segment reporting is updated to conform to this change. Under the new structure, the acoustics business and electromagnetic drives business have been combined into a single operating segment as they exhibit similar economic characteristics and managed as a unified business unit. Prior period segment disclosure has been represented to conform with the current period's presentation.

The Group's updated operating and reportable segments under IFRS 8 "Operating Segment", which represent the major types of products manufactured and sold by the Group, are:

- a) acoustics and electromagnetic drives products;
- b) precision mechanics and heat dissipation products;
- c) optics products;
- d) automotive acoustics products;
- e) sensor and semiconductor products; and
- f) other products.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Revenue from these products is recognised at the point in time when controls of the products has been transferred.

All sales contracts terms and the performance obligations of goods and services provided by the Group are for periods of one year or less. As permitted under IFRS 15 "Revenue from Contracts with Customers", the transaction price allocated to these unsatisfied contracts is not disclosed.

3. SEGMENT INFORMATION - continued

Information regarding these segments is presented below.

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

	1.1.2026 to 30.6.2026 <i>RMB'000</i> (Unaudited)	1.1.2025 to 30.6.2025 <i>RMB'000</i> (Unaudited)
<u>Operating and reportable segments</u>		
Segment revenue - recognised at a point in time		
Acoustics and electromagnetic drives products*	6,012,428	5,266,515
Precision mechanics and heat dissipation products*	3,251,468	2,890,619
Optics products	2,046,702	2,647,507
Automotive acoustics products [#]	2,234,931	1,814,823
Sensor and semiconductor products	857,841	608,229
Other products [#]	103,079	90,793
Total revenue	14,506,449	13,318,486
Segment results		
Acoustics and electromagnetic drives products*	1,716,706	1,469,286
Precision mechanics and heat dissipation products*	750,201	549,431
Optics products	207,743	270,218
Automotive acoustics products [#]	448,902	422,215
Sensor and semiconductor products	125,274	73,527
Other products [#]	(4,701)	(31,007)
Segment profit	3,244,125	2,753,670
Unallocated amounts:		
Other income and other expenses	241,274	221,278
Other gains and losses	27,272	223,784
Share of results of an associate	367	294
Distribution and selling expenses	(399,048)	(342,628)
Administrative expenses	(673,383)	(637,186)
Research and development costs	(1,211,437)	(997,966)
Finance costs	(214,107)	(186,407)
Profit before taxation	1,015,063	1,034,839

* Prior-period amounts for the affected segments have been restated to conform with the updated segment composition.

[#] The amounts included revenue and result of the Group's automotive acoustics products business commenced in prior period and the amounts in the prior period included in the other products are represented to align with the current period presentation.

3. SEGMENT INFORMATION - continued

Segment results represent the profit (loss) earned by each segment without allocation of other income and other expenses, other gains and losses, share of results of an associate, distribution and selling expenses, administrative expenses, research and development costs and finance costs. This is the measure reported to the key operating decision makers for the purpose of resource allocation and performance assessment.

The key operating decision makers make decisions according to operating results of each segment. The Group analysed its assets and liabilities and other financial information at group level. Therefore, only segment revenue and segments results are presented.

The Group's revenue from external customers analysed by location of end customers is detailed below:

	1.1.2026 to 30.6.2026 RMB'000 (Unaudited)	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)
Greater China*	6,692,276	7,362,962
Other foreign countries:		
America**	6,051,811	4,505,823
Other Asian countries	1,216,772	852,072
Europe	539,891	589,837
Others	5,699	7,792
	<u>14,506,449</u>	<u>13,318,486</u>

* Greater China comprises the Mainland China, Hong Kong Special Administrative Region and Taiwan. Majority of the revenue from Greater China were derived from the Mainland China.

** America sales mainly include the sales to end customers based in United States. Sales related to the United States customers are primarily shipped directly to the designated delivery place of the relevant customers or their outsourcing factories located in China, Vietnam, Thailand and India, instead of direct export to the United States.

The geographical information of the Group's revenue from external end customer by individual countries in America, Europe and other Asian countries are not disclosed. Management considers the disclosure of revenue by individual countries to be commercially sensitive.

During the period, the aggregate amount of revenue derived from the Group's top customers which individually has contributed to over 10% of the Group's revenue and included in all of the Group's segments, 2 customers contributed revenue amounted to RMB6,835,525,000 (six months ended 30 June 2025: 3 customers contributed revenue amounted to RMB7,299,325,000).

4. PROFIT BEFORE TAXATION

	1.1.2026 to 30.6.2026 RMB'000 (Unaudited)	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	1,272,904	1,233,295
Depreciation of investment properties	10,154	9,839
Depreciation of right-of-use assets	74,758	97,735
Total depreciation (note a)	1,357,816	1,340,869
Less: Depreciation of right-of-use assets capitalised in qualifying assets	(12,564)	(12,564)
	1,345,252	1,328,305
Amortisation of intangible assets	111,377	179,983
Allowance for inventories, net, included in cost of goods sold	800	1,286
Cost of raw materials included in research and development costs	97,080	94,322
Government grants included in "other income and other expenses" (note b)	79,186	116,787
Interest income included in "other income and other expenses"	128,727	90,082
Other gains and losses (note c)	27,272	223,784

Notes:

- a. Depreciation of RMB176,608,000 (six months ended 30 June 2025: RMB153,226,000) had been included in research and development costs.
- b. Included in the amount is RMB49,123,000 (six months ended 30 June 2025: RMB65,952,000) representing amortisation of government grants. The remaining amount mainly represents the incentives granted by the People's Republic of China (the "PRC") local authorities to the Group for engaging in High Technology business and technologically advanced staff. All the grants were approved during the period of recognition with no unfulfilled conditions/contingencies.
- c. Other gains and losses mainly include gains on disposal/write-off of property, plant and equipment, land use right and right-of-use assets of RMB40,662,000 (six months ended 30 June 2025: loss of RMB42,196,000), net exchange loss of RMB23,275,000 (six months ended 30 June 2025: RMB32,901,000). For the six months ended 30 June 2025, other gains and losses also include a fair value gain on contingent consideration payables (note 20).

5. TAXATION

	1.1.2026 to 30.6.2026 RMB'000 (Unaudited)	1.1.2025 to 30.6.2025 RMB'000 (Unaudited)
The current tax charge comprises:		
PRC Enterprise Income Tax	70,258	103,221
Singapore	64,817	40,788
Vietnam	8,119	7,064
Other jurisdictions	12,391	17,602
PRC and overseas withholding tax	1,562	2,310
Under provision of taxation in prior years	41,385	7,483
	198,532	178,468
Deferred tax credit	(102,778)	(16,845)
	95,754	161,623

Under the law of PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%, for both periods, unless the group entities entitle to other preferential tax treatment granted by the relevant PRC tax authority.

In addition, certain PRC subsidiaries were officially endorsed as High-New Technology Enterprises ("**HNTE**") till the dates ranging from 2026 to 2027 (six months ended 30 June 2025: 2025 to 2026). Pursuant to the EIT Law, those PRC subsidiaries entitled as HNTE shall be entitled to a preferential tax rate of 15% till the expiry of the HNTE status for the respective PRC subsidiaries.

Pursuant to relevant laws and regulations in Singapore, one of the Group's subsidiaries is entitled to a concessionary tax rate under Development and Expansion Incentive program which is granted based on the fulfilment of carrying out qualifying business activities. This incentive program is effective from 1 January 2019 for 10-year period.

Pursuant to the relevant laws and regulations in Vietnam, one of the Group's subsidiaries is entitled to concessionary tax rate which is granted based on the fulfilment of carrying qualifying business activities. This tax holiday for the Vietnamese subsidiary will expire in 2027.

Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. TAXATION - continued

The PRC and overseas dividend withholding tax is calculated at the applicable rate in accordance with the relevant laws and regulations in the respective jurisdictions.

The Group is subject to the global minimum top-up tax Pillar Two Rules ("**the Rules**") and Pillar Two legislation was enacted or to be enacted in several of tax jurisdictions in which the group entities are incorporated or operated. Under the rules, the Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion ("**GloBE**") effective tax rate in each jurisdiction and the 15% minimum rate.

The Group has performed an assessment of the tax exposure of the Rules. Based on the assessment, the Group should benefit from the transitional safe harbour for certain affected jurisdictions in which the Group operates for the six months ended 30 June 2026. Among the remaining affected jurisdictions, the Group does not expect a material exposure to the Rules. The Group continues to follow and evaluate the impact of the Rules on the future financial performance.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

6. DIVIDENDS

During the six months ended 30 June 2026, a final dividend of HK\$0.35 per share in respect of the year ended 31 December 2025 (six months ended 30 June 2025: HK\$0.24 per share in respect of the year ended 31 December 2024) was paid to shareholders of the Company. The aggregate amount of the final dividend was recognised as distribution during the six months ended 30 June 2026 amounted to HK\$406,621,000 (equivalent to RMB353,720,000) (six months ended 30 June 2025: HK\$282,045,000 (equivalent to RMB258,410,000)).

Subsequent to the six months ended 30 June 2026, the Directors of the Company have resolved not to declare an interim dividend.

7. EARNINGS PER SHARE

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

	1.1.2026 to 30.6.2026 RMB'000	1.1.2025 to 30.6.2025 RMB'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (note)	<u>901,298</u>	<u>875,672</u>

7. EARNINGS PER SHARE - continued

	1.1.2026 to 30.6.2026 '000	1.1.2025 to 30.6.2025 '000
Number of shares		
Weighted average number of ordinary shares in issue during the period for the purpose of calculating basic earnings per share (note)	1,141,149	1,158,809
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share awards granted by the Company	2,342	1,004
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<u>1,143,491</u>	<u>1,159,813</u>

Note: The weighted average number of shares has been calculated taking into account the shares repurchased by the Group or held by the 2016 Trustee and 2023 Trustee (as defined in note 17) under share award scheme.

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, apart from the acquisition of Dispelix Oy ("Dispelix") and 遠地（廣州）數字科技有限公司 (Yuandi (Guangzhou) Digital Technology Co., Ltd.) ("Yuandi") (six months ended 30 June 2025: acquisition of 河北初光汽車部件有限公司 (Hebei First Light Auto Parts Co., Ltd.) ("Hebei First Light")) as detailed in note 19, the Group acquired property, plant and equipment of RMB860,172,000 (six months ended 30 June 2025: RMB1,334,411,000). Part of the consideration of RMB151,032,000 (six months ended 30 June 2025: RMB100,139,000) was paid up in advance in prior year.

During the six months ended 30 June 2026, apart from the acquisition of Dispelix and Yuandi (six months ended 30 June 2025: acquisition of Hebei First Light) as detailed in note 19, the addition to the right-of-use assets represents the renewal of several lease agreements and new lease agreements for buildings and cars and machineries ranging from 2 to 6 years (six months ended 30 June 2025: 1 to 5 years). The Group is required to make fixed future payment and, in certain cases, is required to make prepayments. On lease commencement, the Group recognised RMB123,607,000 (six months ended 30 June 2025: RMB133,654,000) of right-of-use assets, and RMB123,532,000 (six months ended 30 June 2025: RMB133,071,000) of lease liabilities. The recognition of newly added right-of-use assets constitutes non-cash transactions.

Also, the Group disposed of certain property, plant and equipment and leasehold land with an aggregate carrying amount of RMB37,917,000 (six months ended 30 June 2025: RMB72,095,000) for proceeds of RMB64,949,000 (six months ended 30 June 2025: RMB29,899,000) and resulting in a gain on disposal of RMB27,032,000 (six months ended 30 June 2025: loss on disposal of RMB42,196,000).

8. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS - continued

In addition, the Group has derecognised right-of-use assets of RMB140,670,000 (six months ended 30 June 2025: RMB42,269,000) and lease liabilities of RMB154,300,000 (six months ended 30 June 2025: RMB42,269,000), and a gain on lease termination of RMB13,630,000 (six months ended 30 June 2025: nil) is recognised in profit or loss due to lease modification.

During the six months ended 30 June 2026 and 2025, there is no impairment indicator for property, plant and equipment, right-of-use assets, investment properties and intangible assets with finite useful lives.

9. EQUITY INSTRUMENTS AT FVTOCI

	30.6.2026 <i>RMB'000</i> (Unaudited)	31.12.2025 <i>RMB'000</i> (Audited)
Unlisted shares	655,817	614,785
Listed shares	56,609	30,802
	712,426	645,587

These investments are not held for trading, instead, they are held for long-term strategic purposes. The Directors of the Company have elected to designate these investments in equity instruments at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Unlisted shares

The unlisted equity investments represent the Group's equity interests in private entities. The equity instruments mainly comprise of equity interests in companies which engaged in:

- (i) producing semiconductor components in integrated circuits and development of intellectual properties;
- (ii) research, development and manufacturing of sensor and semiconductor business;
- (iii) solid state Light Detection and Ranging ("**LiDAR**") sensor for automotive series use;
- (iv) research, development, manufacturing and marketing of electronic equipment in the field of high-end audio; and
- (v) research and development of automotive electronics software.

During the six months ended 30 June 2026, the Group made addition contribution of RMB1,125,000 for an equity investment in a private entity.

During the six months ended 30 June 2025, the Group made addition contribution for an equity interest in a private entity engaged in research, development, manufacturing and marketing of electronic equipment in the field of high-end audio at a consideration of Euro1,500,000 (equivalent to approximately RMB11,726,000).

9. EQUITY INSTRUMENTS AT FVTOCI - continued

Listed shares

The amount represents the Group's investment in a company listed in Japan. As at 30 June 2026, the fair value of the investment determined by reference to the quoted market bid prices available was RMB56,609,000 (31 December 2025: RMB30,802,000).

10. FINANCIAL ASSETS AT FVTPL

	30.6.2026 <i>RMB'000</i> (Unaudited)	31.12.2025 <i>RMB'000</i> (Audited)
Convertible loans	18,925	127,464
Unlisted shares	512,541	522,863
	531,466	650,327

The financial assets at FVTPL mainly represent the Group's investments in:

- (i) a private equity fund primarily investing in industry-leading technology companies, mainly in Germany, German speaking countries and regions, the Nordic countries and the Greater China, as well as other technologically-advanced regions with strong growth potential;
- (ii) a private equity fund primarily investing in private entities in sensor and semiconductor business;
- (iii) preferred shares investment in private entities in sensor and semiconductor business;
- (iv) preferred shares investment in private entity in automotive business;
- (v) Dispelix, a private entity in augmented reality displays manufacturing business;
- (vi) a private entity in research and development, design, and sales of chips; and
- (vii) a private entity in research and development of miniature laser projection display technology for AR applications.

During the six months ended 30 June 2026, the Group (i) made addition contribution of US\$595,068 (equivalent to approximately RMB4,115,000) and GBP254,650 (equivalent to approximately RMB2,324,000) to the private equity funds mentioned above; (ii) further subscribed the convertible loan amounted to Euro3,600,000 (equivalent to approximately RMB29,374,000) issued by Dispelix; (iii) further subscribed the convertible loan amounted to Euro1,500,000 (equivalent to approximately RMB11,867,000) issued by a private entity; and (iv) subscribed the convertible loan amounted to Euro600,000 (equivalent to approximately RMB4,761,000) issued by a private entity engaged in sensor and semiconductor business.

Upon the acquisition of Dispelix on 30 April 2026 as detailed in note 19, the convertible loans with an aggregate amount of Euro19,350,000 (equivalent to approximately RMB151,135,000) issued by Dispelix and subscribed by the Group was effectively derecognised on the consolidation of Dispelix and no gain or loss was recognised upon derecognition.

10. FINANCIAL ASSETS AT FVTPL - continued

During the six months ended 30 June 2025, the Group acquired certain equity interests in a private entity engaged in research and development, design, and sales of chips at a consideration of RMB20,000,000. In addition, the Group (i) made addition contribution of US\$15,931,000 (equivalent to approximately RMB114,370,000) and GBP380,000 (equivalent to approximately RMB3,678,000) to the private equity funds mentioned above and (ii) further subscribed the convertible loan amounted to Euro4,000,000 (equivalent to approximately RMB31,268,000) issued by a private entity.

As the convertible loan contains derivative features for the holder to convert the outstanding into equity interest of the issuer, it is accounted for as financial assets at FVTPL.

The above investments are classified as financial assets at FVTPL and presented under non-current assets as they are not held for trading, instead, they are held for long-term strategic purpose.

11. TRADE AND OTHER RECEIVABLES

	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)
Trade receivables	5,311,863	6,558,749
Bank acceptance and commercial bills	<u>110,087</u>	<u>260,782</u>
	5,421,950	6,819,531
Prepayments	509,347	543,956
Value-added tax recoverable	941,313	984,340
Other receivables	<u>691,851</u>	<u>634,272</u>
	<u>7,564,461</u>	<u>8,982,099</u>

The following is an aged analysis of trade receivables and bank acceptance and commercial bills, net of allowance for credit losses, presented based on the invoice date or notes issued dates at the end of the reporting period, which approximates the respective revenue recognition dates.

	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)
Age		
0 - 90 days	5,313,965	6,673,566
91 - 180 days	99,975	139,075
Over 180 days	<u>8,010</u>	<u>6,890</u>
	<u>5,421,950</u>	<u>6,819,531</u>

11. TRADE AND OTHER RECEIVABLES - continued

Payment terms with customers are mainly on credit. Invoices are normally payable within 30 days to 120 days of issuance. The Group accepts bank acceptance and commercial bills with maturities ranging from 30 to 180 days at the end of the credit terms in lieu of immediate cash payment.

As at 30 June 2026, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of RMB133,241,000 (31 December 2025: RMB108,820,000) which are past due as at the reporting date. Included in the past due balances, RMB8,342,000 has been past due 90 days or more (31 December 2025: RMB7,137,000).

In addition, the management of the Group is of the opinion that those trade receivables aged over 180 days are still fully recoverable due to long-term/on-going relationship and good repayment record from these customers.

12. TRADE AND OTHER PAYABLES

	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)
Trade payables	5,216,486	5,897,449
Notes payables - guaranteed (Note)	<u>2,816,054</u>	<u>2,813,681</u>
	8,032,540	8,711,130
Payroll and welfare payables	592,242	712,497
Payables for acquisition of property, plant and equipment and intangible assets	821,015	1,212,258
Deferred considerations for acquisitions of subsidiaries (Note 19)	347,239	2,584
Other payables and accruals	844,884	985,871
Payables related to restricted shares granted to employee (Note 17)	<u>58,087</u>	<u>57,829</u>
	<u>10,696,007</u>	<u>11,682,169</u>

Note: These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement of trade payables. The Group continues to recognise these trade payables as the relevant banks are obliged to make payments only on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills are included within operating cash flows based on the nature of the arrangements.

During the six months ended 30 June 2026, certain of the Company's subsidiaries received bills from the other subsidiaries and discounted the certain bills to banks. The cash flows of such transactions have been presented in cash flow statement as financing activities.

12. TRADE AND OTHER PAYABLES - continued

Other payables are unsecured, interest-free and have no fixed repayment terms.

An aged analysis of trade and notes payables, presented based on the invoice date or the note issued date, is as follows:

	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)
Age		
0 - 90 days	6,187,429	6,700,689
91 - 180 days	1,737,566	1,949,746
Over 180 days	107,545	60,695
	8,032,540	8,711,130

13. BANK LOANS

The variable rate bank loans carry interest ranging from 2.08% to 3.87% (31 December 2025: 2.30% to 3.87%) per annum. The fixed rate bank loans carry interest ranging from 2.08% to 4.23% (31 December 2025: 2.34% to 4.23%) per annum. The Group and/or its subsidiaries has issued guarantees to respective banks to secure the borrowings.

14. UNSECURED NOTES

Unsecured notes issued in 2021

In 2021, the Group issued unsecured notes of US\$300,000,000 due on 2 June 2026 at a fixed coupon rate of 2.625% per annum ("**2026 Notes**") and US\$350,000,000 due on 2 June 2031 at fixed coupon rate of 3.750% per annum ("**2031 Notes**"). The unsecured notes are listed on the Hong Kong Stock Exchange. The effective interest rates of the 2026 Notes and 2031 Notes are 2.7023% and 3.8656% respectively.

During the period ended 30 June 2026, the principal amounts of the 2026 Notes were fully repaid. As at 30 June 2026, the principal amounts of the outstanding unsecured notes include 2031 Notes of US\$290,123,000 (31 December 2025: US\$290,123,000) with the carrying amount of RMB1,963,083,000 (31 December 2025: RMB2,024,672,000) under non-current liabilities.

15. CAPITAL CONTRIBUTIONS FROM NON-CONTROLLING INTERESTS OF A SUBSIDIARY AND CONTINGENT SETTLEMENT PROVISION

In accordance with the shareholders agreements entered into between the Group and certain non-controlling interests of AAC Optics (Changzhou) Co., Ltd. ("**AAC Optics**"), subject to occurrence or non-occurrence of future events including the separate listing condition, those non-controlling interests were granted the rights to require the Group for capital repayment plus a premium. A contingent settlement provision has been recognised against equity as the Group has a contractual obligation to deliver cash.

15. CAPITAL CONTRIBUTIONS FROM NON-CONTROLLING INTERESTS OF A SUBSIDIARY AND CONTINGENT SETTLEMENT PROVISION - continued

In 2025, AAC (China) Investment Group Co., Ltd. ("**AAC Investment**"), an indirectly wholly owned subsidiary of the Company and AAC Optics entered into separate share transfer agreements with certain non-controlling interests ("**2025 Selling Investors**") in which the 2025 Selling Investors have agreed to sell a portion of its equity interest in AAC Optics to AAC Investment. The 2025 Selling Investors have agreed to sell in aggregate approximately 2.6940% of the equity interest in AAC Optics at the aggregate consideration of RMB515,974,000. The difference between the amounts of the non-controlling interests adjusted and the consideration paid amounting to RMB388,206,000 is credited directly in equity and attributed to owners of the Company.

During the period ended 30 June 2026, AAC Investment and AAC Optics entered into separate share transfer agreements with certain non-controlling interests ("**2026 Selling Investors**") in which the 2026 Selling Investors have agreed to sell all or a portion of their remaining equity interests in AAC Optics to AAC Investment. The 2026 Selling Investors have agreed to sell in aggregate approximately 2.2458% of the equity interest in AAC Optics at the aggregate consideration of RMB439,556,000. The difference between the amounts of the non-controlling interests adjusted and the consideration paid amounting to RMB331,727,000 is credited directly in equity and attributed to owners of the Company.

After the completion of the share transfer agreements in 2026 and as at 30 June 2026, AAC Optics is held (i) as to approximately 94.6094% (31 December 2025: 92.3636%) indirectly by the Company; (ii) 2% by the share incentive platforms of AAC Optics, of which 0.1374% (31 December 2025: 0.1374%) of the shares are vested but still held under the platforms; and (iii) approximately 3.3906% by the 2 remaining strategic investors in aggregate (31 December 2025: 5.6364% by the 3 remaining strategic investors in aggregate).

16. SHARE CAPITAL

	Number of shares	Amount US\$'000
Shares of US\$0.01 each		
Authorised:		
Ordinary shares at 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	<u>5,000,000,000</u>	<u>50,000</u>
Issued and fully paid:		
Ordinary shares at 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	<u>1,198,500,000</u>	<u>11,985</u>
		RMB'000
Presented in the condensed consolidated statement of financial position		
At 1 January 2025 and 30 June 2025, 1 January 2026 and 30 June 2026		<u>97,321</u>

16. SHARE CAPITAL - continued

During the period ended 30 June 2026, the Company repurchased its own ordinary shares through the Hong Kong Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of US\$0.01 each	Price per share		Aggregate consideration HK\$'000 (note)
		Highest HK\$	Lowest HK\$	
January	1,280,000	40.18	38.14	50,573
March	2,150,000	35.10	31.36	71,697
April	2,546,000	37.90	33.84	91,687
May	500,000	39.04	37.64	19,212
June	2,263,500	46.50	41.86	98,924
Total	8,739,500			332,093

Note: During the period ended 30 June 2026, the aggregate consideration of repurchase 8,739,500 shares amounted to HK\$332,093,000 (equivalent to RMB292,428,000), out of which HK\$9,855,000 (equivalent to RMB8,901,000) was prepaid in prior year.

As at 30 June 2026, the Company had treasury shares of 38,989,000 shares (31 December 2025: 30,249,500 shares), other than those held by the trustees for the share award schemes of the Company as disclosed in Note 17.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2025 and 2026.

17. SHARE AWARD SCHEME

Share award scheme of the Company

2016 share award scheme of the Company

The Company on 23 March 2016 had adopted the AAC Share Award Scheme (the "**2016 Scheme**") constituted by a Trust Deed between the Company and Bank of Communications Trustee Limited (the "**2016 Trustee**"), in which employees may be selected by the Board of Directors to participate. Pursuant to the 2016 Scheme, shares of the Company will be purchased on the Hong Kong Stock Exchange, by the 2016 Trustee of the trusts declared in the Trust Deed.

On the grant of the share awards, the relevant number of shares may be legally transferred to the 2016 Trustee who holds the shares for the benefit of the selected employees. A grantee shall not have any interest or rights (including the right to receive dividends) in the shares prior to the vesting of the shares.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share-based payments reserve.

17. SHARE AWARD SCHEME - continued

Share award scheme of the Company - continued

2016 share award scheme of the Company - continued

On 24 March 2022, the Company granted a total of 10,230,593 shares ("**Awarded Shares**") to 340 selected employees pursuant to the 2016 Scheme at nil consideration. The fair value of the shares granted pursuant to the 2016 Scheme were determined with reference to market value of the shares at the award date taking into account the exclusion of the expected dividends as the employees were not entitled to receive dividends paid during the vesting periods of the shares. The shares granted would be vested over a requisite service period up to three years from the date of grant and performance targets which must be attained. Performance targets comprise a mixture of key financial performance indicators and individual targets linked to a comprehensive appraisal of each individual grantee's performance and contribution to the Group.

On 28 April 2025, for better administration of the 2016 Scheme, the Board resolved to enter into a deed of amendment to the trust deed of the 2016 Scheme (the "**2016 Scheme Trust Deed**") with the 2016 Trustee to amend the 2016 Scheme Trust Deed and the scheme rules under the 2016 Scheme to, amongst others, (i) remove relevant clauses for issuing or allotting new shares to the 2016 Trustee; and (ii) allow the shares held by the 2016 Trustee, except for the outstanding Awarded Shares being held by the 2016 Trustee for the benefit of the employees under the 2016 Scheme, to be transferred to other trustee(s) of any other trust(s) constituted or to be constituted for the purpose of implementing share award scheme(s) that has been adopted and/or may be adopted by the Company at any time during or after the trust period upon written instructions by the Board to the 2016 Trustee. Save for the aforementioned amendments and certain housekeeping changes, all other terms under the 2016 Scheme remain unchanged.

On 23 May 2025, the Company granted a total of 3,559,294 Awarded Shares to 536 selected employees pursuant to the 2016 Scheme at nil consideration. The fair value of the shares granted pursuant to the 2016 Scheme were determined with reference to market value of the shares at the award date taking into account the exclusion of the expected dividends as the employees were not entitled to receive dividends paid during the vesting periods of the shares. The shares granted would be vested over a requisite service period of up to three years from the date of grant subject to the relevant key performance targets. Performance targets comprise organisation level and individual level including revenue, profit and target amount of the relevant business units, as well as projects undertaken by the functional departments and the employees' contribution to the Group's objectives.

The maximum number of shares that may be awarded under the 2016 Scheme during its term is limited to 1.65% of the issued share capital of the Company from time to time.

The 2016 Share Award Scheme was valid for a term of 10 years, and expired and terminated on 22 March 2026 (the "**Expiry Date**"). After the termination of the 2016 Share Award Scheme, no further grant of Awarded Shares could be made under the 2016 Share Award Scheme. All the Awarded Shares of the selected employees which are subject to vesting shall continue to be held by the 2016 Scheme Trustee and become vested in the selected employees according to the vesting schedules and vesting conditions.

17. SHARE AWARD SCHEME - continued

Share award scheme of the Company - continued

2016 share award scheme of the Company - continued

Upon the Expiry Date, out of the total 12,378,531 unvested shares held by the 2016 Trustee under the 2016 Share Award Scheme, (i) the 3,559,294 unvested shares awarded and held by the 2016 Trustee under the 2016 Share Award Scheme as at the Expiry Date were continued to be retained by the 2016 Trustee, subject to vesting in favour of the Selected Employee(s) in accordance with the terms and conditions of the 2016 Share Award Scheme; and (ii) the remaining 8,819,237 unvested shares held by the 2016 Trustee under the 2016 Share Award Scheme as at the Expiry Date had been transferred to the 2023 Trustee of the 2023 Share Award Scheme.

As at 30 June 2026, an aggregate of 2,120,668 shares (31 December 2025: 12,378,531 shares) of the Company had been purchased and held by the 2016 Trustee, in which 415,310 (31 December 2025: 483,711) Awarded Shares were vested and were still held under the 2016 Trust. Since the date of adoption of the 2016 Scheme up to 30 June 2026, no new shares had been issued to the 2016 Trustee.

Movement of the shares vested and granted to selected employee(s) under the 2016 Scheme during the periods ended 30 June 2026 and 30 June 2025 are as follows:

For the period ended 30 June 2026

Date of grant	Vesting period	Number of shares			At 30 June 2026
		At 1 January 2026	Vested on 23 May 2026	Shares entitlement forfeited	
23 May 2025	23 May 2025 to 23 May 2026	1,739,198	(1,518,947)	(220,251)	-
23 May 2025	23 May 2025 to 23 May 2027	869,560	-	(16,811)	852,749
23 May 2025	23 May 2025 to 23 May 2028	869,418	-	(16,809)	852,609
		<u>3,478,176</u>	<u>(1,518,947)</u>	<u>(253,871)</u>	<u>1,705,358</u>

17. SHARE AWARD SCHEME - continued

Share award scheme of the Company - continued

2016 share award scheme of the Company - continued

For the period ended 30 June 2025

Date of grant	Vesting period	Number of shares			
		At 1 January 2025	Granted on 23 May 2025	Shares entitlement forfeited	At 30 June 2025
23 May 2025	23 May 2025 to 23 May 2026	-	1,779,760	-	1,779,760
23 May 2025	23 May 2025 to 23 May 2027	-	889,840	-	889,840
23 May 2025	23 May 2025 to 23 May 2028	-	889,694	-	889,694
		<u>-</u>	<u>3,559,294</u>	<u>-</u>	<u>3,559,294</u>

Date of grant	Vesting period	Number of shares			
		At 1 January 2025	Vested on 24 March 2025	Shares entitlement forfeited	At 30 June 2025
24 March 2022	24 March 2022 to 24 March 2025	2,613,238	(2,529,863)	(83,375)	-

The terms and conditions of the grants are as follows:

	Number of shares	Vest condition	Date of grant	Vesting period	Market value per share HK\$	Fair value of shares HK\$
Shares awarded to selected employees in 2025	1,779,760	1 year from the date of grant	23 May 2025	23 May 2025 to 23 May 2026	38.0	67,630,880
	889,840	2 years from the date of grant	23 May 2025	23 May 2025 to 23 May 2027	38.0	33,813,920
	889,694	3 years from the date of grant	23 May 2025	23 May 2025 to 23 May 2028	38.0	33,808,372
	<u>3,559,294</u>					<u>135,253,172</u>

17. SHARE AWARD SCHEME - continued

Share award scheme of the Company - continued

2016 share award scheme of the Company - continued

	Number of shares	Vest condition	Date of grant	Vesting period	Market value per share HK\$	Fair value of shares HK\$
Shares awarded to selected employees in 2022	3,406,787	1 year from the date of grant	24 March 2022	24 March 2022 to 24 March 2023	17.64	60,095,731
	3,406,787	2 years from the date of grant	24 March 2022	24 March 2022 to 24 March 2024	17.64	60,095,731
	3,417,019	3 years from the date of grant	24 March 2022	24 March 2022 to 24 March 2025	17.64	60,276,199
	<u>10,230,593</u>					<u>180,467,661</u>

Movements of Awarded Share purchased are as follows:

	Number of shares purchased	Cost of purchase RMB'000
At 1 January 2025	14,752,257	283,575
Awarded Shares vested	(2,529,863)	(73,224)
Awarded Shares vested and held by the 2016 Trustee	<u>156,137</u>	<u>4,519</u>
At 30 June 2025	<u>12,378,531</u>	<u>214,870</u>
At 1 January 2026	12,378,531	214,870
Transfer to 2023 share award scheme	(8,819,237)	(150,574)
Awarded Shares vested	(1,518,947)	(28,971)
Awarded Shares vested and held by the 2016 Trustee	<u>80,321</u>	<u>1,532</u>
At 30 June 2026	<u>2,120,668</u>	<u>36,857</u>

At 30 June 2026, the number of shares in respect of which awards had been granted and remained outstanding under the 2016 Scheme was 1,705,358 (31 December 2025: 3,478,176), representing 0.14% (31 December 2025: 0.29%) of the shares of the Company in issue at that date.

During the six months ended 30 June 2026, the Group recognised total expenses of RMB27,445,000 (six months ended 30 June 2025: RMB14,759,000) in relation to the 2016 Scheme shares granted by the Company.

17. SHARE AWARD SCHEME - continued

Share award scheme of the Company - continued

2023 share award scheme of the Company

The Company on 17 April 2023 had adopted the share award scheme (the "**2023 Scheme**") constituted by a Trust Deed between the Company and BOCI Trustee (Hong Kong) Limited (the "**2023 Trustee**"), in which employees may be selected by the Board of Directors to participate. Pursuant to the 2023 Scheme, shares of the Company will be subscribed for at a subscription price as determined by the Board of the Company, purchased on the Hong Kong Stock Exchange, by the 2023 Trustee, and/or transferred by another trustee of another share award scheme of the Company to the 2023 Trustee.

On the grant of the share awards, the relevant number of shares may be legally issued or transferred to the 2023 Trustee who holds the shares for the benefit of the selected employees. A grantee shall not have any interest or rights (including the right to receive dividends) in the shares prior to the vesting of the shares. The maximum number of shares which may be awarded under the 2023 Scheme shall not exceed 45,000,000 shares, representing approximately 3.75% of the issued shares as at its adoption date on 17 April 2023.

On 22 May 2025, for better administration of the 2023 Scheme, the Board resolved to amend the 2023 Scheme to, amongst others, (i) allow grants of the share awards to be satisfied by the issuance and allotment of new shares and/or the transfer of treasury shares; and (ii) correspondingly, bring it in line with the applicable requirements under Chapter 17 of the Listing Rules. Save for the aforementioned amendments and certain housekeeping changes, all other terms under the 2023 Scheme remain unchanged.

The expenses in relation to the share awards are charged to profit or loss over the relevant vesting periods with a corresponding increase in share-based payments reserve.

During the six months ended 30 June 2026, 8,819,237 unvested shares held by the 2016 Trustee under the 2016 Share Award Scheme were transferred to the 2023 Trustee of the 2023 Share Award Scheme.

During the six months ended 30 June 2026 and 2025, the 2023 Trustee has no purchased shares on the Hong Kong Stock Exchange.

As at 30 June 2026, an aggregate of 20,638,237 shares (31 December 2025: 11,819,000 shares) of the Company had been purchased from open market (or transferred from the 2016 Trustee) and held by the 2023 Trustee. Since the date of adoption of the 2023 Scheme up to 30 June 2026, no new shares had been issued to the 2023 Trustee.

No share awards have been granted to any employees since adoption of the 2023 Scheme.

17. SHARE AWARD SCHEME - continued

Subsidiary share incentive scheme ("Subsidiary Scheme")

AAC Optics, a subsidiary of the Company, entered into a capital increase agreement with three limited partnerships ("**Platforms**"), with the purpose to create share incentive platforms. The Subsidiary Scheme entitles selected employees of AAC Optics ("**Eligible Scheme Participants**") to subscribe the shares of AAC Optics, accounted for approximately 2.0% of the enlarged share capital or 135,377,918 shares of AAC Optics, corresponding to a consideration of RMB135,377,918 or at the subscription price of RMB1 per share of AAC Optics at the time of grant, which is payable at the same time. Under the Subsidiary Scheme, the Eligible Scheme Participants would settle the subscription price of shares by cash or by combination of cash and related approved loans from the Group or Platforms at market interest rate. During the six months ended 30 June 2026, no cash payment to the Eligible Scheme Participants under the Subsidiary Scheme (six months ended 30 June 2025: RMB729,000).

Except for 11,163,857 shares which were granted and vested immediately in 2021, the remaining shares would be vested over a requisite service period of up to three-and-a-half year subject to the relevant key performance targets of AAC Optics during the vesting period ("**Restricted Shares**"). Upon the issue of new shares that are vested under the Subsidiary Scheme, the Group's interest in AAC Optics has been changed. Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity (retained profits) and attributed to owners of the Company.

During the six months ended 30 June 2025, the Group repurchased 62,500 Restricted Shares at the subscription price of RMB1 per share of AAC Optics from the Eligible Scheme Participants and no shares were granted during the six months ended 30 June 2025 (during the six months ended 30 June 2026: nil).

As at 30 June 2026, the consideration of repurchased share amounting to RMB58,087,000 (31 December 2025: RMB57,829,000) has not yet been repaid and is recorded as other payables.

A summary of activities of the restricted shares with vesting condition of the Subsidiary Scheme is presented as follows:

	Number of restricted shares	
	Six months ended 30 June	
	2026	2025
Unvested as at the beginning of period	-	23,920,595
Repurchased during the period	-	(62,500)
Unvested as at the end of period	-	23,858,095
Repurchased and available to be granted as at end of period	126,080,691	102,222,596

17. SHARE AWARD SCHEME - continued

Subsidiary share incentive scheme ("Subsidiary Scheme") - continued

During the six months ended 30 June 2025, the subsidiary recognised share-based payment expense of RMB1,386,000 (six months ended 30 June 2026: nil) in relation to the shares granted by the subsidiary under Subsidiary Scheme and the amount is credited to the non-controlling interests in the Group.

At the end of each reporting period, the Group revises its estimates of the Restricted Shares that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit or loss, with a corresponding adjustment to share-based payments reserve including in the non-controlling interests.

18. CAPITAL COMMITMENTS

	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
- acquisition of subsidiaries (note 19)	-	543,543
- acquisition of property, plant and equipment	557,250	637,132
- capital contribution to a financial asset at FVTPL	122,690	116,500
	679,940	1,297,175

19. ACQUISITION OF SUBSIDIARIES

Acquisitions of Subsidiaries in 2026

Acquisition of Dispelix

On 3 September 2025, the Group entered into a sale and purchase agreement pursuant to which the Group would acquire the issued shares in Dispelix from its existing equity holders (the "Sellers"), taking into account the shares subject to the put and call option arrangement entered into with the founders. Dispelix is a private entity engaged in augmented reality displays manufacturing business, as the leading waveguide designer, which expected to bring commercial synergies from combining operations of Dispelix, resulting in goodwill arising from this acquisition. In the previous years, the Group made certain investments in the convertible bond issued by Dispelix as the strategic investment which was effectively derecognised upon the acquisition of Dispelix. Pursuant to the sale and purchase agreement, the acquisition was structured in two tranches, with the first tranche and second tranche transactions comprising approximately 85% (the "**First Tranche Transaction**") and approximately 15% (the "**Second Tranche Transaction**") respectively, of the issued shares in the capital of Dispelix.

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiaries in 2026 - continued

Acquisition of Dispelix - continued

The purchase price of the First Tranche Transaction (the "**First Tranche Consideration**") shall be payable to the Sellers in two installments as follows:

- (i) 50% of the equity value (the "**Preliminary Purchase Price**"), together with interest thereon from 10 March 2026 to the date of first installment completion less the notified leakage, unconditional closing bonus for existing employees, settlement of pre-acquisition external debt (collectively referred to as the "**First Installment**"); and
- (ii) remaining 50% of equity value (the "**Deferred Purchase Price**") together with interest thereon from 1 January 2026 to the date of second installment completion on 15 July 2026 less any reminding notified leakage (collectively referred to as the "**Second Installment**" and recognised as "**Deferred Consideration**" included in "**trade and other payables**").

The purchase price of the Second Tranche Transaction (the "**Second Tranche Consideration**") represents the remaining 15% of issued shares of Dispelix held by the founders which are subject to reciprocal put and call option arrangements, with the consideration determined by reference to the achievement of specified key performance indicators ("**KPIs**").

The First Tranche Transaction was completed on 30 April 2026. After considering the terms of the sale and purchase agreement, the Directors of the Company concluded that the Group had obtained, in substance, present ownership of the remaining 15% equity interest and therefore consolidated a 100% interest in Dispelix upon the completion of the First Tranche Transaction. The Second Tranche Consideration is accounted for as contingent consideration. The consideration transferred and Dispelix's financial information represented below are as at acquisition date of 30 April 2026.

Acquisition Consideration as at 30 April 2026

	<i>RMB'000</i>
First Tranche Transaction	
- Cash consideration at completion (note a)	308,242
- Deferred Purchase Price (note b)	<u>267,717</u>
First Tranche Consideration	575,959
Second Tranche Transaction - Contingent consideration payable (note c)	<u>45,345</u>
Total consideration	<u><u>621,304</u></u>

Notes:

- (a) The first installment of First Tranche Transaction purchase price paid comprise of (i) Preliminary Purchase Price of Euro33,000,000 (equivalent to approximately RMB264,188,000) plus the interest thereon from 10 March 2026 to 15 April 2026, calculated on a daily basis at the rate of 2.5% per annum; (ii) unconditional closing bonus for existing employees and (iii) the settlement of pre-acquisition external debt.
- (b) The amount represents the second installment of the First Tranche Transaction of Euro33,000,000 (equivalent to approximately RMB264,188,000) in the second payment date, plus the interest thereon from 1 January 2026 to 15 July 2026 calculated on a daily basis at the rate of 2.5% per annum which was subsequently settled in July 2026.

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiaries in 2026 - continued

Acquisition of Dispelix - continued

Acquisition Consideration as at 30 April 2026 - continued

Notes: - continued

- (c) The Second Tranche Consideration ranges from Euro5,040,000 to Euro11,200,000, payable in three installments on 15 April 2027, 2028 and 2029, which is determined by reference to the achievement of KPIs of Dispelix. Pursuant to the sale and purchase agreement, KPIs consist of technology development milestones and commercial milestones. Based on management's best estimate of the expected KPIs achievement as at the completion date, the Directors of the Company estimated the fair value of the contingent consideration at Euro5,664,000 (equivalent to approximately RMB45,345,000) at 30 April 2026. As at 30 June 2026, the fair value of the contingent consideration payable remained the same as that at the completion date and was equivalent to approximately RMB43,994,000.

The acquisition-related costs are insignificant and have been excluded from the consideration transferred and recognised within the "administrative expenses" line item in the condensed consolidated statement of profit or loss.

Assets acquired and liabilities recognised at the date of acquisition

	<i>RMB'000</i>
Property, plant and equipment	5,255
Right-of-use assets	10,073
Intangible assets (note a)	470,735
Deferred tax assets	2,016
Cash and cash equivalents	50,181
Trade and other receivables	4,463
Trade and other payables (note b)	(216,022)
Lease liabilities	(10,082)
Deferred tax liabilities (note c)	(86,867)
Net assets	229,752

Notes:

- (a) The amounts mainly represent the fair value of customer relationship of RMB216,154,000 and technology of RMB254,581,000 acquired in the acquisition of Dispelix. The useful life of the intangible assets is determined by reference to the comparable market information.
- (b) Trade and other payables include the amount due to the Group of approximately RMB154,910,000.

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiaries in 2026 - continued

Acquisition of Dispelix - continued

Assets acquired and liabilities recognised at the date of acquisition - continued

Notes: - continued

- (c) The deferred tax liabilities mainly relate to the fair value adjustment of intangible assets which deferred tax liabilities amounted to approximately RMB84,852,000, which is calculated at the Finland corporate income tax rate of 18%.

Goodwill arising on acquisition

	<i>RMB'000</i>
Total consideration	621,304
Less: recognised amounts of net assets acquired	<u>(229,752)</u>
Goodwill arising on acquisition	<u><u>391,552</u></u>

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflows arising on acquisition of Dispelix

	<i>RMB'000</i>
Total consideration	621,304
Less: Cash and cash equivalents acquired	(50,181)
Consideration payable for acquisitions of subsidiaries included in trade and other payables	(267,717)
Contingent consideration payables	<u>(45,345)</u>
	<u><u>258,061</u></u>

Impact of acquisition on the results of the Group

Included in the profit for the period ended 30 June 2026 is loss of RMB10,232,000 attributable to the additional business generated by Dispelix. Revenue for the period ended 30 June 2026 includes nil generated from Dispelix.

Had the acquisition of Dispelix been completed on 1 January 2026, revenue for the period ended 30 June 2026 of the Group would have been RMB14,506,449,000, and the profit for the period ended 30 June 2026 of the Group would have been RMB822,806,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2026, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Dispelix been acquired at the beginning of the period ended 30 June 2026, the Directors of the Company calculated amortisation of intangible assets based on their recognised amounts at the date of the acquisition.

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiaries in 2026 - continued

Acquisition of Yuandi

On 18 March 2026, the Group entered into a sale and purchase agreement at a cash consideration of RMB174,061,000 to acquire 51% interest in Yuandi, which principally engaged in and primarily focusing on liquid cooling product manufacturer, which expected to bring commercial synergies from combining operations of Yuandi, resulting in goodwill arising from this acquisition. The acquisition was completed and acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred of the acquisition date

	<i>RMB'000</i>
Cash transferred	30,000
Consideration payables for acquisition of subsidiary	<u>144,061</u>
Total consideration	<u><u>174,061</u></u>

The acquisition-related costs are insignificant and have been excluded from the consideration transferred and recognised within the "administrative expenses" line item in the condensed consolidated statement of profit or loss.

Assets acquired and liabilities recognised at the date of acquisition

	<i>RMB'000</i>
Property, plant and equipment	5,684
Right-of-use assets	6,147
Intangible assets (note a)	175,900
Pledged bank deposits	1,249
Cash and cash equivalents	28,962
Trade and other receivables	78,197
Inventories	26,567
Trade and other payables	(14,120)
Lease liabilities	(6,238)
Contract liabilities	(1,784)
Deferred tax liabilities (note b)	(26,385)
Bank loans	<u>(17,669)</u>
Net assets	<u><u>256,510</u></u>

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiaries in 2026 - continued

Acquisition of Yuandi - continued

Assets acquired and liabilities recognised at the date of acquisition - continued

Notes:

- (a) The amounts mainly represent the fair value of customer relationship of RMB125,500,000 and technology of RMB50,400,000 acquired in the acquisition of the Yuandi. The useful life of the intangible assets is determined by reference to the comparable market information.
- (b) The deferred tax liabilities mainly relate to the fair value adjustment of intangible assets which deferred tax liabilities amounted to approximately RMB26,385,000, which is calculated at the income tax rate of 15% since Yuandi was officially endorsed as HNTE.

Non-controlling interests

The non-controlling interests in Yuandi recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net identifiable assets of Yuandi, amounted to RMB125,690,000.

Goodwill arising on acquisition

	<i>RMB'000</i>
Consideration transferred	174,061
Plus: non-controlling interests	125,690
Less: recognised amounts of net assets acquired	<u>(256,510)</u>
Goodwill arising on acquisition	<u><u>43,241</u></u>

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflows arising on acquisition of Yuandi

	<i>RMB'000</i>
Total consideration	174,061
Less: Cash and cash equivalents acquired	(28,962)
Consideration payable for acquisitions of subsidiaries included in trade and other payables	<u>(144,061)</u>
	<u><u>1,038</u></u>

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiaries in 2026 - continued

Acquisition of Yuandi - continued

Impact of acquisition on the results of the Group

Included in the profit for the period ended 30 June 2026 is RMB3,103,000 attributable to the additional business generated by Yuandi. Revenue for the period ended 30 June 2026 includes RMB37,239,000 generated from Yuandi.

Had the acquisition of Yuandi been completed on 1 January 2026, revenue for the period ended 30 June 2026 of the Group would have been RMB14,526,194,000, and the profit for the period ended 30 June 2026 of the Group would have been RMB896,450,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2026, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Yuandi been acquired at the beginning of the period ended 30 June 2026, the Directors of the Company calculated amortisation of intangible assets based on their recognised amounts at the date of the acquisition.

Acquisitions of Subsidiary in 2025

Acquisition of Hebei First Light

In 2025, the Group acquired 53.74% interest in Hebei First Light, which principally engaged in and primarily focusing on developing automotive factory-installed electronic products, at a cash consideration of RMB288,371,000. The acquisition was completed and acquisition has been accounted for as acquisition of business using the acquisition method.

Consideration transferred of the acquisition date

	<i>RMB'000</i>
Cash transferred	285,787
Other payables (note)	<u>2,584</u>
Total consideration	<u><u>288,371</u></u>

Note:

The amount was paid during the period ended 30 June 2026 which was included in the net cash outflow on acquisition of subsidiaries.

The acquisition-related costs are insignificant and have been excluded from the consideration transferred and recognised in profit or loss.

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiary in 2025 - continued

Acquisition of Hebei First Light - continued

Assets acquired and liabilities recognised at the date of acquisition

	<i>RMB'000</i>
Property, plant and equipment	29,918
Right-of-use assets	18,685
Intangible assets (note a)	140,445
Deferred tax assets	2,899
Pledged bank deposits	4,000
Cash and cash equivalents	44,844
Trade and other receivables	91,380
Inventories	86,923
Trade and other payables	(76,980)
Lease liabilities	(19,326)
Taxation payable	(1,404)
Deferred tax liabilities (note b)	(23,152)
Bank loans	(42,680)
Net assets	255,552

Notes:

- (a) The amounts mainly represent the fair value of customer relationship of RMB135,663,000 acquired in the acquisition of the Hebei First Light. The useful life of the intangible assets was determined by reference to the comparable market information.
- (b) The deferred tax liabilities mainly relating to the fair value adjustment of intangible assets which deferred tax liabilities amounted to approximately RMB20,349,000, which was calculated at the income tax rate of 15% since Hebei First Light was officially endorsed as HNTE.

Non-controlling interests

The non-controlling interests 46.26% in Hebei First Light recognised at the acquisition date was measured by reference to the proportionate share of recognised amounts of net identifiable assets of Hebei First Light and amounted to RMB118,220,000.

Goodwill arising on acquisition

	<i>RMB'000</i>
Consideration transferred	288,371
Plus: non-controlling interests (46.26% in Hebei First Light)	118,220
Less: recognised amounts of net assets acquired	(255,552)
Goodwill arising on acquisition	151,039

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

19. ACQUISITION OF SUBSIDIARIES - continued

Acquisitions of Subsidiary in 2025 - continued

Acquisition of Hebei First Light - continued

Net cash outflows arising on acquisition of Hebei First Light

	<i>RMB'000</i>
Total consideration	288,371
Less: Cash and cash equivalents acquired	(44,844)
Other payables	<u>(2,584)</u>
	<u><u>240,943</u></u>

Impact of acquisition on the results of the Group

Included in the profit for the period ended 30 June 2025 was RMB2,232,000 attributable to the additional business generated by Hebei First Light. Revenue for the period ended 30 June 2025 included RMB20,592,000 generated from Hebei First Light.

Had the acquisition of Hebei First Light been completed on 1 January 2025, revenue for the period ended 30 June 2025 of the Group would have been RMB13,415,723,000, and the profit for the period ended 30 June 2025 of the Group would have been RMB882,132,000. The pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had Hebei First Light been acquired at the beginning of the period ended 30 June 2025, the Directors of the Company calculated amortisation of intangible assets based on their recognised amounts at the date of the acquisition.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The managements have set up an investment team, which is headed up by the Executive Vice President of the Company.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The investment team and finance team work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - continued

(i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity/relationship of unobservable inputs to fair value
	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)				
Equity instruments at FVTOCI - Listed shares	56,609	30,802	Level 1	Quoted bid prices in an active market	N/A	N/A
Equity instruments at FVTOCI - Unlisted equity investments	125,320	86,608	Level 3	Income approach. The discounted cash flow method was used to capture future economic benefits to be derived from the ownership of these investments.	Discount rate, taking into account weighted average cost of capital determined using a Capital Asset Pricing Model. Forecasted future cash flows.	The higher the discount rate, the lower the fair value, and vice versa. The higher the forecast future cash flow, the higher the fair value, and vice versa.
Equity instruments at FVTOCI - Unlisted equity investments	530,497	490,226	Level 3	Market approach. The market approach was used to determine the valuation using trailing-twelve-month ("TTM") Price-to-Sales ("P/S") multiples of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The lack of marketability discount. TTM P/S multiples of selected comparable companies.	The higher the lack of marketability discount, the lower the fair value. The higher the TTM P/S multiples, the higher the fair value.
Equity instruments at FVTOCI - Unlisted equity investments	-	37,951	Level 3	Recent transaction prices of underlying investments.	N/A	N/A
Total equity instruments for FVTOCI	<u>712,426</u>	<u>645,587</u>				
Financial assets at FVTPL	-	125,038	Level 3	Binomial Option Pricing Model	Volatility	The higher the volatility, the higher the fair value, and vice versa.
Financial assets at FVTPL	473,293	502,863	Level 3	Market approach. The market approach was used to determine the valuation based on the recent transaction prices of underlying investments or using TTM P/S multiples of selected comparable listed companies in a similar business and similar business model and adjusted for the lack of marketability.	The lack of marketability Discount. TTM P/S multiples of selected comparable companies.	The higher the lack of marketability discount, the lower the fair value. The higher the TTM P/S multiples, the higher the fair value.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - continued

(i) Fair value of the Group's financial instruments that are measured at fair value on a recurring basis - continued

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Sensitivity/relationship of unobservable inputs to fair value
	30.6.2026 RMB'000 (Unaudited)	31.12.2025 RMB'000 (Audited)				
Financial assets at FVTPL	<u>58,173</u>	<u>22,426</u>	Level 3	Recent transaction prices of underlying investments	N/A	N/A
Total financial assets at FVTPL	<u><u>531,466</u></u>	<u><u>650,327</u></u>				
Foreign currency forward contracts	Assets - 5,708 (not under hedge accounting)	Assets - 6,324 (not under hedge accounting)	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable yield curves at the end of the reporting period) and contracted exchange rates, discounted at a rate that reflects the credit risks of various counterparties.	N/A	N/A
	Liabilities - 695 (not under hedge accounting)	Liabilities - 3,503 (not under hedge accounting)				
Contingent consideration payables	<u><u>43,994</u></u>	<u><u>-</u></u>	Level 3	The discounted cash flow method with probability-weighted scenario in achieving the KPIs was used.	Discount rate, taking into account incremental borrowing rate. Forecasted future cash flows.	The higher the discount rate, the lower the fair value, and vice versa. The higher the forecast future cash flow, the higher the fair value, and vice versa.

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - continued

(ii) Reconciliation of Level 3 fair value measurements

	Equity instruments at FVTOCI <i>RMB'000</i>	Financial assets at FVTPL <i>RMB'000</i>	Contingent consideration payables <i>RMB'000</i>
At 1 January 2025 (audited)	566,990	449,662	(1,260,837)
Purchase made	11,726	169,316	-
Fair value gain (loss):			
-in profit or loss	-	3,908	319,517
-in other comprehensive income	(22,680)	-	-
Currency realignment	(484)	(2,384)	-
At 30 June 2025 (unaudited)	<u>555,552</u>	<u>620,502</u>	<u>(941,320)</u>
At 1 January 2026 (audited)	614,785	650,327	-
Purchase made	1,125	52,441	-
Acquisition of Dispelix	-	(151,135)	(45,345)
Fair value (loss) gain:			
-in profit or loss	-	(1,121)	-
-in other comprehensive income	45,154	-	-
Currency realignment	(5,247)	(19,046)	1,351
At 30 June 2026 (unaudited)	<u>655,817</u>	<u>531,466</u>	<u>(43,994)</u>

Fair value changes for the period included in "other gains and losses" in the consolidated statement of profit or loss, of which RMB1,121,000 fair value loss (six months ended 30 June 2025: RMB3,908,000 fair value gain) relates to financial assets at FVTPL and no fair value gain (six months ended 30 June 2025: RMB319,517,000 fair value gain) relates to contingent consideration payables at the end of the current reporting period.

Included in other comprehensive income is an amount of RMB45,154,000 fair value gain (six months ended 30 June 2025: RMB22,680,000 fair value loss) relating to unlisted equity securities classified as equity instruments at FVTOCI held at the end of the current reporting period and is reported as changes of FVTOCI.

(iii) Fair value of the Group's financial instruments that are not measured at fair value on a recurring basis

Except for those listed unsecured notes in which there is fair value based on the quoted bid price in an active market, amounting to RMB1,852,262,000 (31 December 2025: RMB3,540,196,000), the management considers that the carrying amounts of the other financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

CORPORATE GOVERNANCE

The Board and the Company consider effective corporate governance not only a safeguard of the interests and confidence of our stakeholders, but also a key component in the Group's sustainable long-term development and value creation. Our Board, which is at the centre of our corporate governance structure, has regularly reviewed and refined principles, policies and practices on the conduct with an aim to support the growth of the Group's operations. Our sound corporate governance structure includes a quality Board, high standards of corporate responsibility and sustainability awareness, a high degree of transparency, accountability and independence, and an effective design, implementation and enforcement of risk management as well as internal control systems. Based on regular reviews of the Company's actual performance against the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"), the Board is satisfied that throughout 1H 2026, the Company has complied with all the Code Provision(s).

SHARE AWARD SCHEMES

2016 Share Award Scheme

As announced by the Company on 23 March 2016, the Board resolved to adopt a share award scheme (the "**2016 Share Award Scheme**") in which the Employees (other than the Excluded Employees) could be selected by the Board to participate. As disclosed in the Company's announcement dated 28 April 2025, the 2016 Share Award Scheme was amended with effect from 28 April 2025 to, amongst others, (i) remove relevant clauses for issuing or allotting new shares of the Company (the "**Shares**") to the 2016 Scheme Trustee; and (ii) allow the Shares held by the 2016 Scheme Trustee, except for the outstanding awarded Shares being held by the 2016 Scheme Trustee for the benefit of the employees under the 2016 Share Award Scheme, to be transferred to other trustee(s) of any other trust(s) constituted or to be constituted for the purpose of implementing share award scheme(s) that had been adopted and/or might be adopted by the Company at any time during or after the trust period upon written instructions by the Board to the 2016 Scheme Trustee.

The purpose of the 2016 Share Award Scheme was to permit the Company to grant awards to the Selected Employees as incentives for their contributions to the Group and to attract suitable personnel for the further development of the Group. The 2016 Share Award Scheme was valid for a term of 10 years, and expired and terminated on 22 March 2026 (the "**Expiry Date**"). After the termination of the 2016 Share Award Scheme, no further grant of awarded Shares could be made under the 2016 Share Award Scheme. All the awarded Shares of the Selected Employees which are subject to vesting shall continue to be held by Bank of Communications Trustee Limited, an independent trustee appointed by the Company for managing the 2016 Share Award Scheme (the "**2016 Scheme Trustee**") and become vested in the Selected Employees according to the vesting schedules and vesting conditions.

Upon the Expiry Date, out of the total 12,378,531 unvested Shares held by the 2016 Scheme Trustee under the 2016 Share Award Scheme, (i) the 3,559,294 unvested Shares awarded and held by the 2016 Scheme Trustee under the 2016 Share Award Scheme as at the Expiry Date continued to be retained by the 2016 Scheme Trustee, subject to vesting in favour of the Selected Employee(s) in accordance with the terms and conditions of the 2016 Share Award Scheme; and (ii) the remaining 8,819,237 unvested Shares held by the 2016 Scheme Trustee under the 2016 Share Award Scheme as at the Expiry Date had been transferred to the 2023 Scheme Trustee of the 2023 Share Award Scheme (as defined below). As at 30 June 2026, the 2016 Scheme Trustee held a total of 2,120,668 unvested Shares under the 2016 Share Award Scheme.

In this section, Employee(s) referred to any employee (including without limitation any executive director but excluding any non-executive director or independent non-executive director) of any member of the Group; Excluded Employee(s) referred to any Employee who was resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the 2016 Share Award Scheme was not permitted under the laws or regulations of such place or where in the view of the Board or the 2016 Scheme Trustee (as the case may be), compliance with applicable laws or regulations in such place made it necessary or expedient to exclude such Employee; Selected Employee(s) referred to Employee(s) selected by the Board pursuant to scheme rules of the 2016 Share Award Scheme (the "**2016 Scheme Rules**") for participation in the 2016 Share Award Scheme.

During the term of the 2016 Share Award Scheme,

- (1) subject to the provisions of the 2016 Scheme Rules, the Board could, from time to time, exercise its absolute discretion in selecting any Employee (other than any Excluded Employee) for participation in the 2016 Share Award Scheme as a Selected Employee, and grant such number of awarded Shares to any Selected Employee at no consideration. The 2016 Scheme Rules did not provide for any amount which would be payable on acceptance of the award or any period within which payments must be made; and
- (2) the maximum number of Shares that could be awarded under the 2016 Share Award Scheme during its term was limited to 1.65% (i.e. 19,775,250 Shares as at the Expiry Date) of the issued share capital of the Company from time to time. The maximum number of awarded Shares that might be granted to any one Selected Employee under the 2016 Share Award Scheme during its term should not exceed 0.5% (i.e. 5,992,500 Shares as at the Expiry Date) of the issued share capital of the Company from time to time. Pursuant to the 2016 Share Award Scheme, Shares would be purchased on the Hong Kong Stock Exchange by the 2016 Scheme Trustee at the cost of the Company and would be held by the 2016 Scheme Trustee on trust for the Selected Employee(s) under the 2016 Share Award Scheme before vesting.

Since the date of adoption of the 2016 Share Award Scheme and up to 30 June 2026, no new Shares had been issued to the 2016 Scheme Trustee pursuant to the 2016 Scheme Rules and trust deed of the 2016 Share Award Scheme. During the six months ended 30 June 2026, no Shares were purchased by the 2016 Scheme Trustee on the Hong Kong Stock Exchange for the purpose of the 2016 Share Award Scheme. Following the Expiry Date, no Shares shall be available for purchase by the 2016 Scheme Trustee under the 2016 Share Award Scheme.

Since the date of adoption of the 2016 Share Award Scheme and up to the Expiry Date, (i) a total of 10,230,593 awarded Shares were granted to 340 employees on 24 March 2022 at nil consideration, in which 2,722,799, 2,627,518 and 2,529,863 awarded Shares had been vested to employees on 24 March 2023, 24 March 2024 and 24 March 2025, respectively; and (ii) a total of 3,559,294 awarded Shares were granted to 536 employees on 23 May 2025 at nil consideration, in which 1,518,947 awarded Shares had been vested to employees on 23 May 2026. The awarded Shares shall be vested in the grantees at nil consideration subject to the terms of the 2016 Share Award Scheme and the vesting conditions as set out in the respective grant notice to each grantee (including a period of continued service within the Group after the grant of the awarded Shares and performance targets which must be attained).

Given that no Shares could be issued in respect of the awarded Shares granted during the six months ended 30 June 2026, the number of Shares that could be issued in respect of the awarded Shares granted under the 2016 Share Award Scheme during the six months ended 30 June 2026 divided by the weighted average number of Shares in issue for the six months ended 30 June 2026 was nil.

2023 Share Award Scheme

As announced by the Company on 17 April 2023, the Board resolved to adopt a share award scheme (the "**2023 Share Award Scheme**") in which the Employees (other than the Excluded Employees) may be selected by the Board to participate. The 2023 Share Award Scheme was amended with effect from 22 May 2025 to, amongst others, (i) allow grants of the Awards to be satisfied by the issuance and allotment of new Shares and/or the transfer of treasury Shares; and (ii) correspondingly, bring it in line with the applicable requirements under Chapter 17 of the Hong Kong Listing Rules.

The purposes of the 2023 Share Award Scheme are: (i) to achieve the long-term business objectives of the Group; (ii) to implement the Group's long-term business strategy; (iii) to enhance the value of the Group; (iv) to advance the growth and achieve sustainable development of the Group; and (v) to enable the Employees to share the success in the growth of the Group. Subject to any early termination as may be determined by the Board pursuant to the scheme rules of the 2023 Share Award Scheme (the "**2023 Scheme Rules**"), the 2023 Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on 17 April 2023 and will expire on 16 April 2033.

In this section, Employee(s) refers to any employee (including without limitation any executive director but excluding any non-executive director or independent non-executive director) of any member of the Group; Excluded Employee(s) refers to any Employee who is resident in a place where the award of the awarded Shares and/or the vesting and transfer of the awarded Shares pursuant to the terms of the 2023 Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or BOCI Trustee (Hong Kong) Limited, an independent trustee appointed by the Company for managing the 2023 Share Award Scheme (the "**2023 Scheme Trustee**") (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Employee; Selected Employee(s) refers to Employee(s) selected by the Board pursuant to the 2023 Scheme Rules for participation in the 2023 Share Award Scheme.

Subject to the provisions of the 2023 Scheme Rules, the Board may, from time to time, exercise its absolute discretion in selecting any Employee (other than any Excluded Employee) for participation in the 2023 Share Award Scheme as a Selected Employee, and grant such number of awarded Shares to any Selected Employee. No consideration shall be payable by a Selected Employee for acceptance of the award granted under the 2023 Share Award Scheme.

The maximum number of Shares that may be awarded under the 2023 Share Award Scheme during its term is limited to 45,000,000 Shares, representing approximately 3.89% of the Shares in issue (excluding any treasury Shares) as at 20 August 2026. The maximum number of awarded Shares that may be granted to any one Selected Employee under the 2023 Share Award Scheme during its term shall not exceed 0.5% (i.e. 5,779,055 Shares as at 20 August 2026) of the issued share capital of the Company (excluding any treasury Shares) from time to time. Pursuant to the 2023 Share Award Scheme, Shares will be subscribed for at a subscription price as determined by the Board (including treasury Share transferred), purchased on the Hong Kong Stock Exchange, by the 2023 Scheme Trustee at the cost of the Company, and/or transferred by another trustee of another award scheme of the Company to the 2023 Scheme Trustee. Such Shares will be held by the 2023 Scheme Trustee on trust for Selected Employee(s) under the 2023 Share Award Scheme before vesting.

Since the date of adoption of the 2023 Share Award Scheme and up to 30 June 2026, no new Shares have been issued to the 2023 Scheme Trustee pursuant to the 2023 Scheme Rules and trust deed of the 2023 Share Award Scheme. During the six months ended 30 June 2026, no Shares were purchased by the 2023 Scheme Trustee on the Hong Kong Stock Exchange for the purpose of the 2023 Share Award Scheme.

As mentioned under the section headed "2016 Share Award Scheme" above, 8,819,237 unvested Shares held by the 2016 Scheme Trustee under the 2016 Share Award Scheme were transferred to the 2023 Scheme Trustee of the 2023 Share Award Scheme. As at 30 June 2026, the 2023 Scheme Trustee held a total of 20,638,237 Shares under the 2023 Share Award Scheme.

Since the date of adoption of the 2023 Share Award Scheme and up to 30 June 2026, no Shares had been granted to Selected Employee(s) under the 2023 Share Award Scheme.

Subsidiary Share Incentive Scheme

In addition to the above share award schemes of the Company, AAC Optics (Changzhou) Co., Ltd. ("**AAC Optics**"), a subsidiary of the Company, operates a subsidiary share incentive scheme (the "**Subsidiary Share Incentive Scheme**"). The purpose of the Subsidiary Share Incentive Scheme is to provide the selected employees of the AAC Optics and its subsidiaries and relevant personnel with a market-oriented incentive scheme and attract top talents. AAC Optics intends to incentivise and reward them for their commitment and dedication to its business expansion. AAC Optics is not a principal subsidiary of the Company under Rule 17.14 of the Hong Kong Listing Rules. Accordingly, the disclosure requirements set out in Rule 17.13 of the Hong Kong Listing Rules do not apply to the Subsidiary Share Incentive Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company believes that in addition to the sustained increase in earnings per Share and the intrinsic value per Share, the repurchase of the Company's Shares at the appropriate timing could also be an important metric to enhance long-term value of our Shareholders.

At the annual general meeting (the "**2025 AGM**") on 22 May 2025, the Company's Shareholders granted a general mandate to the Directors of the Company to repurchase Shares of the Company (the "**2025 Repurchase Mandate**"). Pursuant to the 2025 Repurchase Mandate, the Company was allowed to repurchase up to 10% of the total number of issued Shares of the Company as at the date of the 2025 AGM. At the annual general meeting (the "**2026 AGM**") on 21 May 2026, the Company's Shareholders granted a general mandate to the Directors of the Company to repurchase Shares of the Company (the "**2026 Repurchase Mandate**"). Pursuant to the 2026 Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares of the Company (excluding treasury Shares) as at the date of the 2026 AGM.

On 9 April 2025, the Board authorised the repurchases of Shares in the open market during the next 12 to 18 months, to a maximum aggregate amount of up to HK\$1.2 billion (the "**Proposed Share Repurchase**"). Together with the amount implemented under the automatic share buy-back program completed on 9 April 2025, and the maximum amount under the Proposed Share Repurchase, the aggregate amount of these repurchases shall not exceed HK\$2.0 billion.

The Proposed Share Repurchase shall be conducted on the basis of appropriate general share repurchase mandate(s) as granted by the Shareholders from time to time in the annual general meeting(s) of the Company, by direct repurchases made by the Company, or by independent broker(s) through automatic share repurchase program(s), which are subject to obtaining the requisite waiver from the Hong Kong Stock Exchange under the Hong Kong Listing Rules. For more details, please refer to the announcement of the Company dated 9 April 2025.

During 1H 2026, the Company repurchased a total of 8,739,500 Shares on the Hong Kong Stock Exchange, representing approximately 0.729% of the total issued Shares (i.e. 1,198,500,000 Shares) as at 30 June 2026, with the aggregate consideration paid (before expenses, i.e. not including brokerage, transaction levy, stamp duty and transaction cost) amounting to approximately HK\$331.32 million which was paid out from the Company's retained profits. All Shares repurchased during the six months ended 30 June 2026 were held as treasury Shares which are intended to be used for satisfying any grants of awarded Shares of the 2023 Share Award Scheme. During the six months ended 30 June 2026, no treasury Shares were resold by the Company and accordingly, there were 38,989,000 Shares held by the Company in treasury as at 30 June 2026.

The share repurchases reflect the Company's solid financial position and the Board's strong confidence in the Company's future business prospects. The Directors believe that the share repurchases are in the interest of Shareholders as a whole.

Details of the Shares repurchased during 1H 2026 are as follows:

Month	Total number of the Shares repurchased	Purchase price paid per Share		Aggregate Consideration ⁽¹⁾ (HK\$'000)
		Highest (HK\$)	Lowest (HK\$)	
January 2026	1,280,000	40.18	38.14	50,573
March 2026	2,150,000	35.10	31.36	71,697
April 2026	2,546,000	37.90	33.84	91,687
May 2026	500,000	39.04	37.64	19,212
June 2026	2,263,500	46.50	41.86	98,924

Notes:

- (1) including the expenses such as brokerage, transaction levy, stamp duty and transaction cost of HK\$776,000.
- (2) Subsequent to 30 June 2026 and up to the date of this announcement, the Company further repurchased an additional 3,700,000 Shares pursuant to the 2026 Repurchase Mandate. All such repurchased Shares have been held as treasury Shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares) during 1H 2026.

HUMAN RESOURCES

As at 30 June 2026, the Group's permanent workforce grew by 1% to 42,086 employees, from 41,674 as at 31 December 2025. This growth reflects the integration of PSS, and several other mergers and acquisitions in 1H 2026. These strategic acquisitions successfully expanded the Group's product portfolio, manufacturing capabilities, global commercial network, and R&D expertise. Moving forward, the Group maintains its strong commitment to heavy, sustainable R&D investment to drive industry-leading technological innovation.

Employees of the Group are remunerated based on their individual performance, professional qualifications, experience in the industry and relevant market trends. Management from time to time reviews the Group's remuneration policy based on benchmarking results, and fairly rewards its employees based on individual performance. In addition to basic salaries, allowances, social insurance and mandatory pension fund contributions, certain employees and employee groups are also eligible for the Group's bonus plan and share schemes. And, the Remuneration Committee reviewed and approved senior management's remuneration proposals with reference to the Board's corporate goals and objectives.

As required by the relevant regulations, the Group has been participating in the social insurance schemes operated by the relevant local government authorities in the PRC, and in the mandatory pension fund as well as social insurance schemes for its employees in Belgium, the Czech Republic, Denmark, Finland, Germany, Hong Kong, Hungary, India, Japan, Malaysia, Mexico, Singapore, South Korea, Taiwan, the United Kingdom, the United States and Vietnam.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms not less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as mentioned in Appendix C3 to the Hong Kong Listing Rules. On specific enquiries made, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding the Directors' securities transactions during the six months ended 30 June 2026.

DESPATCH OF INTERIM REPORT

The interim report of the Company will be published on the Company's website at www.aactechnologies.com and the website of the Hong Kong Stock Exchange in September 2026. The interim report will also be dispatched to Shareholders in September 2026.

IMPORTANT NOTE

The Company may have an investors' webcast and media conference for these unaudited interim results after trading hours of the Hong Kong Stock Exchange on the date of this announcement. Please visit the Company's website <http://www.aactechnologies.com> for the Company's regular investor relations update.

The unaudited interim results relate only to selected unaudited key performance indicators of the Group and are based on the Group's internal records and management accounts. The unaudited interim results have been reviewed by independent auditors but are not a forecast of the annual performance of the Group as a whole.

Potential investors and Shareholders of the Company are advised to exercise caution when dealing in the Shares of the Company.

On behalf of the Board
AAC Technologies Holdings Inc.
Zhang Hongjiang
Chairman

Hong Kong, 20 August 2026

As at the date of this announcement, the Board comprises Mr. Pan Benjamin Zhengmin, Mr. Mok Joe Kuen Richard and Ms. Wu Ingrid Chun Yuan, together with five Independent Non-executive Directors, namely Mr. Zhang Hongjiang, Mr. Kwok Lam Kwong Larry, Mr. Peng Zhiyuan, Mr. Cheng Kwang Ting and Mr. Cheng James Su-Ting.