Epiworld International Co., Ltd.
瀚天天成电子科技(厦门)股份有限公司

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

(Stock Code: 2726)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Epiworld International Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") hereby announces the unaudited condensed consolidated interim results of the Company for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the six months ended 30 June 2025.

In this announcement, "we", "us" and "our" refers to the Company or, where the context otherwise requires, the Group. Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meanings as those defined in the prospectus of the Company dated 20 March 2026 (the "**Prospectus**").

INTERIM RESULTS HIGHLIGHTS

	Six months ended 30 June		
	(Unaudited)	(Unaudited)	
	2026	2025	Year-on-year
	RMB'000	*RMB'000*	change
Revenue	**577,632**	300,781	92.0%
Gross profit	**160,658**	54,744	193.5%
Adjusted net profit (Non-IFRS measure)	**139,054**	96,993	43.4%
Profit for the period	**48,582**	(1,968)	/
Earnings per share attributable to owners of the Company (adjusted net profit) (RMB)	**0.34**	0.24	41.4%

2026 INTERIM FINANCIAL AND BUSINESS HIGHLIGHTS

1. Significant Year-on-Year Growth in Revenue, Gross Profit and Gross Profit Margin, with Substantially Improved Operating Scale and Profitability

During the Reporting Period, the Group recorded a revenue of RMB577.6 million, representing an increase of 92.0% as compared with RMB300.8 million for the six months ended 30 June 2025.

During the Reporting Period, the Group recorded a gross profit of RMB160.7 million, representing an increase of 193.5% as compared with RMB54.7 million for the six months ended 30 June 2025.

The Group's gross profit margin increased from 18.2% for the six months ended 30 June 2025 to 27.8% for the six months ended 30 June 2026, representing an increase of 9.6% year-on-year and a relative increase of 52.8% over the same period.

2. Significant Year-on-Year Growth in Adjusted Net Profit, with Turnaround from Loss to Profit During the Reporting Period and Substantial Improvement in Earnings Quality

During the Reporting Period, the Group recorded adjusted net profit of RMB139.1 million, representing an increase of 43.4% as compared with RMB97.0 million for the six months ended 30 June 2025. The Group recorded net profit of RMB48.6 million during the Reporting Period, representing a turnaround from loss to profit as compared with the corresponding period of 2025, with a significant improvement in earnings quality. The above increase in profit was partially offset by net foreign exchange loss of RMB72.3 million resulting from the depreciation of the US dollar against the RMB during the Reporting Period; excluding the impact of such exchange loss, the actual growth in the Group's core profit was even more significant.

3. More Strengthened Cash Reserves and Significant Expansion of Total Assets and Net Assets, Contributing to a More Robust Financial Foundation

As of 30 June 2026, the Group's cash and cash equivalents and term deposits amounted to a total of RMB3,218.8 million, representing an increase of 76.3% as compared with the end of 2025.

As of 30 June 2026, the Group's total assets and net assets amounted to RMB6,306.3 million and RMB4,540.1 million, respectively, representing an increase of 39.4% and 50.8%, respectively, as compared with the end of 2025.

4. Capitalizing on the Strategic Trajectory of AI Data Centers with Strong Growth Momentum

The Company is a SiC epitaxial wafer company that was among the first in Chinese Mainland to penetrate the international supply chain on a large scale. Among the world's top five SiC power device manufacturers, four are customers of the Company, who are enterprises within the AI data center ("**AIDC**") supply chain of Nvidia. The Company has begun to benefit significantly from the rapidly growing demand of AI data centers for power chips.

5. Significant Breakthrough in 12-inch Product Orders, with a Globally Leading Market Presence

As the world's first company to launch 12-inch SiC epitaxial wafers, the Company achieved a breakthrough in small-batch orders for 12-inch SiC epitaxial wafers during the Reporting Period, taking the lead in the global market presence.

MANAGEMENT DISCUSSION AND ANALYSIS

I. FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB577.6 million for the six months ended 30 June 2026, representing an increase of 92.0% from RMB300.8 million for the six months ended 30 June 2025. This increase was primarily attributable to strong market demand and continuous growth in the Company's sales orders, which led to a significant increase in the revenue during the Reporting Period, in particular the revenue from AI data center.

Cost of Sales

During the Reporting Period, the Group's cost of sales was RMB417.0 million, representing an increase of 69.5% from RMB246.0 million for the corresponding period of 2025, primarily due to an increase in line with the increase in product sales revenue.

Gross Profit and Gross Profit Margin

During the Reporting Period, the Group's gross profit was RMB160.7 million, representing an increase of 193.5% from RMB54.7 million for the six months ended 30 June 2025.

The Group's gross profit margin increased from 18.2% for the six months ended 30 June 2025 to 27.8% for the six months ended 30 June 2026. This was primarily due to the significant dilution effect of fixed costs with the expansion of production and sales scale, coupled with the Company's optimized material cost control, resulting in a decrease in unit production costs.

Other Income and Other Gains and Losses, Net

During the Reporting Period, the Group's other income and net gains decreased by RMB32.9 million (or 29.9%) from RMB110.1 million for the six months ended 30 June 2025 to RMB77.2 million for the six months ended 30 June 2026. This was primarily due to an increased exchange loss for the Reporting Period resulting from the depreciation of the US dollar against the Renminbi.

Selling and Distribution Expenses

During the Reporting Period, the Group's selling and distribution expenses were RMB5.7 million, representing an increase of RMB0.6 million (or 13.0%) from RMB5.1 million for the corresponding period of 2025. This was primarily due to the expansion of the sales team, which led to an increase in staff costs. For the six months ended 30 June 2026, selling and distribution expenses accounted for 1.0% of our total revenue.

Administrative and Other Expenses

During the Reporting Period, the Group's general and administrative expenses were RMB102.8 million, representing a decrease of RMB3.1 million (or 2.9%) from RMB105.9 million for the corresponding period of 2025, primarily due to a reduction in expenses related to the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange (the "**Listing**").

Research and Development Costs

During the Reporting Period, the Group's research and development costs were RMB53.5 million, representing an increase of RMB12.8 million (or 31.3%) from RMB40.7 million for the corresponding period of 2025, primarily due to the Group's continuous expansion of investment in research and development, which led to an increase in research and development material costs and research and development labor costs. For the six months ended 30 June 2026, our research and development expenses accounted for 9.3% of our total revenue.

Finance Costs

During the Reporting Period, the Group's finance costs were RMB5.0 million, representing a decrease of RMB1.8 million (or 26.6%) from RMB6.8 million for the corresponding period of 2025, primarily due to a decrease in the average loan interest rate.

Income Tax Expense

During the Reporting Period, the Group's income tax expense was RMB13.6 million, representing an increase of RMB5.7 million from RMB7.9 million for the corresponding period of 2025, primarily due to an increase in taxable profit.

Profit Before Tax

Due to the aforementioned changes, for the six months ended 30 June 2026, the Group's profit before tax was RMB62.2 million, representing an increase of RMB56.3 million (or 951.5%) from RMB5.9 million for the corresponding period of 2025, primarily attributable to a significant increase in the Group's sales revenue and an improvement in gross profit from sales during the Reporting Period.

Liquidity and Financial Resources

The Group adopts a prudent liquidity management policy, regularly monitors its liquidity requirements, and ensures that sufficient cash reserves and adequate funding committed by major financial institutions are maintained to meet the Company's short-term and long-term liquidity needs.

As of 30 June 2026, the Group's cash and cash equivalents and term deposits amounted to a total of RMB3,218.8 million, representing an increase of 76.3% as compared with the end of 2025. Among them, as of 30 June 2026, the Group had cash and cash equivalents of RMB2,649.0 million, as compared to RMB1,214.0 million as of 31 December 2025. Cash and cash equivalents primarily consist of cash at bank denominated in RMB and USD. As of 30 June 2026, the Group's term deposits amounted to RMB569.8 million, as compared with RMB611.7 million as of 31 December 2025.

As of 30 June 2026, the Group's total assets and net assets amounted to RMB6,306.3 million and RMB4,540.1 million, respectively, representing an increase of 39.4% and 50.8%, respectively, as compared with the end of 2025.

Indebtedness and Financial Ratios

Loans and borrowings: As of 30 June 2026, the Group's total loans and borrowings amounted to RMB1,028.6 million (as of 31 December 2025: RMB886.7 million). The Group's loans and borrowings are all denominated in RMB, and all loans and borrowings are fixed-rate borrowings, of which approximately RMB154.0 million will be due within one year, approximately RMB134.6 million due within one to two years, approximately RMB505.2 million due within two to five years, and approximately RMB234.8 million due after five years. For details of the Group's bank loans, please refer to note 15 to the consolidated financial statements.

Current ratio: The Group's current ratio (current ratio equals current assets divided by current liabilities as at the end of the relevant year/period) increased from 5.3 times as of 31 December 2025 to 7.3 times as of 30 June 2026.

Quick ratio: The Group's quick ratio (quick ratio equals current assets less inventories divided by current liabilities as at the end of the relevant year/period) increased from 4.7 times as of 31 December 2025 to 6.7 times as of 30 June 2026.

Debt-to-Asset ratio: The Group's debt-to-asset ratio (debt-to-asset ratio equals total liabilities divided by total assets) decreased from 33.5% as of 31 December 2025 to 28.0% as of 30 June 2026, due to an increase in total equity resulting from the Listing.

Treasury Policies

The Company's management performs financial functions and continuously monitors the Group's cash requirements. If the Company's cash requirements exceed its then-current liquid funds, the Company may seek credit facilities and external borrowings, or issue securities when it deems necessary and appropriate.

Pledge of Assets

The carrying value of the Group's pledged assets increased from RMB519.5 million as of 31 December 2025 to RMB558.3 million as of 30 June 2026, mainly due to an increase in the loan amount.

Save as disclosed above, the Group did not have any other pledge of assets as of 30 June 2026.

Significant Investments

Save as disclosed in this announcement, the Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2026) during the Reporting Period.

Significant Acquisition and Disposal

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities, associates and joint ventures during the Reporting Period.

Future Plans for Material Investments or Capital Assets

As of 30 June 2026, save as disclosed in the section headed "Business Review", the Group had no future plans for any material investments or capital assets.

Exposure to Foreign Exchange Risks

The Company faces foreign currency risk arising from balances of assets and liabilities denominated in currencies other than the functional currency of the Group's entities, with the foreign currency giving rise to such risks being primarily the US dollar. The management monitors foreign currency risk by closely monitoring the movement of foreign currency exchange rates. Management has established a policy requiring the Group entities to manage their foreign exchange risk against their respective functional currencies. As of 30 June 2026, the Company held forward foreign exchange contracts with a notional principal of USD20 million maturing within one year for hedging purposes.

Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2026 (as of 31 December 2025: Nil).

Capital Commitments

As of 30 June 2026, capital commitment of the Group was RMB261.4 million (as of 31 December 2025: RMB88.6 million). The Group's capital commitments are primarily for the purchase of expansion equipment.

Non-HKFRS Measures

To supplement the Group's consolidated financial statements presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**"), the Company also uses adjusted net profit ("**Non-HKFRS Measure**") as an additional financial measure, which is not required by, or presented in accordance with, HKFRS. The Company believes that such Non-HKFRS Measure eliminates the potential impact of items, facilitating comparisons of operating performance across periods. The Company believes that this measure provides useful data to investors and others in understanding and evaluating the Group's consolidated results of operations in the same manner as it helps the Company's management.

The Company defines adjusted net profit (Non-HKFRS Measure) as profit adjusted by adding back (i) equity-settled share-based payments; (ii) interest expense on redemption rights; and (iii) listing expenses. The adjustments were consistently made during the Reporting Period. The following table sets forth the reconciliations of the Group's adjusted net profit (Non-HKFRS Measure) for the periods ended 30 June 2025 and 2026 to the most comparable measure prepared in accordance with HKFRS:

	Six months ended 30 June	
	2026	2025
	(RMB'000)	
Profit for the year/period	**48,582**	(1,968)
Adjusted by adding back:		
Equity-settled share-based payments	**82,989**	82,989
Interest expense on redemption rights	**–**	344
Listing expenses	**7,483**	15,628
Adjusted net profit	**139,054**	96,993

Employee and Remuneration

As of 30 June 2026, the Group had 796 employees (as of 31 December 2025: 529). For the six months ended 30 June 2026, total staff costs (including share-based payment expenses) amounted to RMB132.6 million, compared to RMB121.3 million for the six months ended 30 June 2025.

The Group's total staff costs comprise salaries, share-based payments, bonuses and social insurance contributions. We participate in various employee social insurance schemes that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work injury, maternity and unemployment benefit schemes.

We are guided by the principles of openness, fairness and justice, and provide equal opportunities to all employees and job applicants. We hire employees based on their merits, following the principles of lawfulness, fairness, equality, voluntariness, consensus, honesty and credibility. We have established a series of key employment policies, including the "Employee Handbook", "Recruitment Management Standards", and "Corporate Social Responsibility Management", to ensure that all employees receive fair treatment in respect of employment, remuneration, training opportunities, promotion, dismissal, and retirement. We strictly prohibit discrimination based on race, ethnicity, nationality, religion, gender, age, or any other identity. We have implemented the "Training Management Procedure", which outlines the requirements for employee onboarding, pre-employment training, and on-the-job training. This ensures that employees receive comprehensive training to acquire the skills required for their duties.

Share Capital

As of 30 June 2026, the Company had issued 21,492,050 H shares of the Company (the "**H Shares**") with a nominal value of RMB1 each pursuant to its Listing, and details of the issued shares are set out in note 17 to the consolidated financial statements.

Reserves

As of 30 June 2026, the reserves of the Group were RMB4,114.5 million (as of 31 December 2025: RMB2,605.6 million).

II. BUSINESS REVIEW

(I) Company Profile and Industry Trend

The Company is a global leader in providing SiC epitaxial wafers, the centerpiece materials for semiconductors with wide-bandgap, and is primarily engaged in the research and development, mass production and sales of SiC epitaxial wafers. Products of the Company are widely applied in AI data centers, new energy vehicles, energy storage, photovoltaic and wind power generation, rail transit, smart grids and aerospace. On 30 March 2026, the Company was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (Stock Code: 02726.HK). This marks a significant milestone in the development journey of the Company and signals the advent of a new stage of integrated growth driven by the triad of technology, standards and capital.

In the first half of 2026, the silicon carbide power semiconductor industry bounced back from its earlier cyclical downturn. The supply-demand dynamics reached an inflection point, and the industry prosperity began to recover. The growth logic of the industry is transitioning to a "multi-engine synergy energized by AI data centers, new energy vehicles and energy storage". The penetration rate of SiC in the power semiconductor market continues to rise rapidly. Leading industry players with deep technological expertise, high yield rates, advantages of large scale and high-quality upstream and downstream partners remain well positioned to benefit from those leading chip companies which are placing greater emphasis on the comprehensive competitiveness of epitaxial suppliers in terms of R&D capabilities, mass production capacity, product consistency, reliable delivery capability and global supply systems in the context of the iterative upgrading of SiC semiconductor chips.

Amid the ongoing recovery of the industry, the expansion of demand across multiple application areas and the rise of industrial value, the Company achieved significant growth in sales volume, revenue and profit in the first half of the year due to the leading technological advantages, excellent product performance, improving mass-production and delivery capabilities and the high-quality global customer base.

(II) Review of Operations

In the first half of 2026, the Group achieved significant operational results: (i) our revenue and gross profit grew significantly by 92.0% and 193.5%, respectively, over the same period of 2025, while our gross profit margin increased by 9.6 percentage points from 18.2% for the same period of 2025 to 27.8%, keeping us at the industry forefront; (ii) our production capacity expanded at an accelerated pace, increasing by approximately 20% within six months; and (iii) our product mix continued to upgrade. The sales of 8-inch SiC epitaxial wafers experienced a remarkable increase such that their sales volume for the first half of year exceed the total for 2025.

The above performance was mainly attributable to the Group's efforts to seize market opportunities arising from the sustained development of downstream applications such as AI data centers, new energy vehicles and energy storage, actively expand domestic and overseas markets and customer base, and propel business development with technology innovation. Specifically, the Group continued to scale up production of 6-inch and 8-inch SiC epitaxial wafers, promoted the industrialization of 12-inch products, and proactively explored to expand overseas production capacity. Meanwhile, refined cost reduction and efficiency enhancement measures effectively supported the growth in production and sales volume as well as the improvement in profitability. In addition, since the Group's cash and cash equivalents and time deposits amounted to a total of RMB3,218.8 million as of 30 June 2026, it maintained ample cash reserves, together with smooth financing channels, which underpin a solid financial foundation for our subsequent capacity expansion, technology R&D and the advancement of our long-term strategies.

1. Market and customer development

(1) Customer development

During the Reporting Period, the Company achieved notable results in customer development under the market strategy of "enhancing services for existing customers and exploring new customer opportunities":

- Enhancing services for existing customers: the Company continuously improved service system for existing customers and upgraded service quality, steadily increasing the procurement volume and share from existing customers to the Company. The service quality continuously received high recognition from the market. Recently, during the supplier evaluation conducted by one of the world's top five silicon carbide device manufacturers, the Company, leveraging its strong comprehensive capabilities, achieved full scores across all assessment criteria, delivering a "full-score performance" in the customer evaluation. This fully demonstrates the Company's exceptional comprehensive delivery capability.

- Exploring new customer opportunities: during the Reporting Period, the Company added 6 new customers, and our customer base advantages continued to strengthen. One of the examples is our admission into the core supply chain of a leading European automotive parts enterprise and a China's top specialty process wafer foundry.

As of the date of this announcement, the Company serves 4 of the global top 5 SiC power device manufacturers and 8 of the global top 10 power device manufacturers, and 35 customers have purchased 8-inch wafers from us.

(2) Extension toward downstream application areas

With advances in SiC technology and greater cost-effectiveness of SiC devices, the downstream application of SiC devices has extended from the new energy vehicle sector to diversified scenarios including AI data centers, energy storage, power grids, rail transit and white goods.

① For AI data centers, the surging demand for computing power imposes stringent requirements on power conversion efficiency and thermal dissipation, driving the global power supply architecture of AI data centers to upgrade toward higher voltage, higher frequency and higher density. By virtue of its superior physical properties such as wide bandgap, high breakdown field and high thermal conductivity, SiC serves as the core material for this upgrade. According to publicly available information by CICC, the compound annual growth rate of the value of AI data center demand for SiC power devices will reach 144.78% to 379.14% from 2026 to 2030. The value of SiC devices per megawatt of data center in 2030 is projected at approximately USD220,000, which is 4.5 times that of GaN power devices, fully demonstrating the premium pricing power of the high-voltage SiC epitaxial products as a high-value segment. The Company is a SiC epitaxial wafer company that was among the first in Chinese Mainland to penetrate the international supply chain on a large scale. 4 of the global top 5 SiC power device manufacturers are customers of the Company, and these 4 customers are suppliers in the Nvidia AIDC supply chain. The Company is benefiting significantly from the rapidly growing demand for power chips in AI data centers.

② In terms of new energy vehicles, the penetration of automotive electrification continues to rise across the global market, and the shift to 800V high-voltage platforms is gathering pace. This is enabling SiC power semiconductors to extend their reach from premium vehicles to economy vehicles. According to Yole, a third-party research firm, the penetration rate of 800V architecture is expected to exceed 50% by 2031, and the CAGR of automotive SiC power device revenue from 2025 to 2031 is forecast at over 20%. Automotive SiC epitaxy is characterized by a long validation cycle and high customer switching costs, which in turn foster strong customer loyalty. The Company has established long-term partnerships with leading SiC power device manufacturers at home and abroad, providing a solid foundation for our stable and sustainable growth.

③ In energy storage applications, SiC is capable to boost system conversion efficiency to over 99% due to its low loss and high power density, while also reducing equipment size and cooling costs. As global new energy storage installations expand rapidly, SiC is replacing the traditional silicon-based IGBTs at faster pace. The growing need for grid peak-shaving flexibility, the rising demand for renewable energy integration, and the proliferation of residential, commercial and industrial, and utility-scale storage applications collectively create broad market opportunities for SiC devices in the energy storage sector.

④ As PV systems upgrade to higher-voltage architectures, SiC devices, leveraging their high breakdown voltage and low switching loss, can significantly improve inverter efficiency and extend equipment service life, which aligns with the industry trend toward "larger modules and higher power". According to forecast of Yole, a third-party research firm, supported by robust renewable energy demand, PV installed capacity is expected to grow from 592GW in 2025 to 979GW in 2031. Residential PV systems and large-scale ground-mounted PV inverters of both centralized and string types will become the primary application platforms for SiC power devices, driving the large-scale deployment and adoption of SiC solutions.

⑤ The smart grid sector offers immense long-term prospects. During the "15th Five-Year Plan" period, fixed-asset investment in the national power grid is set to exceed RMB5 trillion, up over 80% from the "14th Five-Year Plan" period, with priority given to the digital and intelligent upgrading of distribution networks and the accelerated development of smart microgrids. High-voltage SiC devices show distinct performance advantages in key equipment such as solid-state transformers and flexible direct current (DC) converter valves, and their demand will continue to expand as the grid moves toward greater intelligence.

⑥ In the white goods sector, SiC devices are primarily used in variable-frequency air-conditioning compressor drives and high-end home appliance power modules. They can improve energy efficiency, reduce operating temperature rise and shrink power module size, which aligns with the upgrade needs of the industry for energy saving and miniaturization. Some leading home appliance manufacturers have already achieved million-level installations of SiC solutions, with the application scope gradually penetrating from high-end air-conditioning models to mainstream price segments.

⑦ In terms of lighting driver applications, benefiting from smart city development, industrial energy-saving retrofits and the replacement demand for outdoor high-power luminaires, SiC has found a precise niche in the high-power lighting driver segment. Currently, this segment remains in its early commercialization stage, with industry penetration still relatively low. Going forward, as SiC becomes more cost-effective and supporting driver solutions mature, the substitution potential will gradually unfold.

The Company has initiated R&D planning and customer engagement for each of the above application segments, and is able to provide tailored SiC epitaxial solutions for different scenarios. Meanwhile, downstream applications are generally trending toward higher voltages, which imposes more demanding requirements on the thickness and quality of SiC epitaxy. This in turn raises the technical barriers and commercial value of epitaxial products. As SiC penetration in downstream applications continues to rise, the market size steadily expands, and the combined benefits from growth across multiple application areas and the industry-wide shift toward higher voltages will provide solid support for the sustained business growth of the Company.

2. Technology R&D and product upgrades

(1) Refining core product performance and expanding platforms

The Company has always regarded technology innovation as core driving force. During the Reporting Period, we continued to optimize the core manufacturing processes of SiC epitaxial wafers. For the mainstream product lines, the Company focused on optimizing key parameters such as epitaxial thickness uniformity, doping uniformity and defect density. As a result, process stability for 6-inch and 8-inch products has been significantly enhanced, and yield rates have continued to lead the industry. This is fully reflected in the profitability of the Company.

On the technology leadership front, while most manufacturers in the industry remain focused on 8-inch process optimization, the Company has already taken the lead in advancing the R&D and mass production of 12-inch SiC epitaxy. Following the global first launch of 12-inch SiC epitaxial wafers in December 2025, the Company continued to optimize key process parameters, enabling to control thickness non-uniformity to be not greater than 2.8% and doping concentration non-uniformity not greater than 2.1%. During the Reporting Period, the Company also secured small-batch orders, further consolidating the first-mover technology advantage of the Company in the large-size SiC epitaxy field.

(2) Specialty process technologies and intellectual property portfolio

In response to the diverse needs of downstream applications, the Company has continued to advance our capabilities in specialty processes. Multiple rounds of iterative optimization have been completed for advanced technologies such as composite substrate epitaxy, trench backfill epitaxy, multi-layer epitaxy and ultrathick epitaxy. In particular, the trench backfill epitaxy technology has successfully achieved void-free filling of trenches with a larger aspect ratio. The deployment of these new technologies can effectively reduce manufacturing costs, improve device performance and broaden product application areas, and has already gained widespread attention and recognition from key downstream customers, thus providing a solid technical foundation for the development of next-generation higher-performance power devices.

In terms of intellectual property rights, as of 30 June 2026, the Company held a total of 35 granted patents in force, including 16 invention patents and 19 utility model patents. The robust patent portfolio effectively establishes the long-term technical barriers for the Company.

3. Capacity expansion and economies of scale

(1) Production capacity expansion and progress in projects funded by proceeds

As of 30 June 2026, the Company had a monthly production capacity of over 60,000 wafers. During the Reporting Period, the projects that are funded by proceeds from the Listing progressed smoothly, and all construction work proceeded in an orderly manner according to the established plan. Given the rapid growth in demand for 8-inch products, the Company is accelerating the construction of those projects – the number of epitaxial production equipment already ordered has exceeded 40% of the total planned for the project. It is expected that in the second half of 2026, as key production equipment is successively delivered, installed and commissioned, the 8-inch capacity of the Company will be rapidly released, and its economies of scale are expected to be further strengthened.

(2) Capacity release and realization of economies of scale

The release of capacity and the economies of scale in the semiconductor industry together provide solid support for the robust growth of the Company.

- Rapid shipment growth of 6-inch SiC epitaxial wafers: driven by robust demand from downstream sectors such as AI data centers, new energy vehicles and energy storage, shipments of 6-inch products grew rapidly.

- Rapid sales ramp-up of 8-inch SiC epitaxial wafers: as the world's first company to achieve large-scale commercial supply of 8-inch SiC epitaxial wafers, the Company is accelerating the conversion of our technological first-mover advantage into market share. In the first half of 2026, the sales volume of 8-inch products of the Company surpassed the total for 2025, clearly demonstrating a notable trend of rapid volume expansion.

- First small-batch order secured for 12-inch SiC epitaxial wafers: as the first company globally to launch 12-inch SiC epitaxial wafers, the Company secured the first small-batch orders for 12-inch SiC epitaxial wafers during the Reporting Period, with a globally leading market presence.

As production and sales scale expands, the dilution effect of fixed costs becomes significant, which, coupled with the Company's efforts to control and optimize material costs, brought about a decline in unit production cost, thereby effectively driving up overall gross margin of the Company. We forecast that the gross margin will further increase in the second half of 2026.

4. International expansion and Malaysia project progress

To capture the explosive growth opportunities for SiC power devices in global AI data centers, new energy vehicles and energy storage, advance our global strategic footprint, and to enhance our delivery capabilities in the global supply chain and service quality for international customers, the Company actively responded to invitations from multiple global giants and officially commenced construction of an 8-inch SiC epitaxial wafer production base in Penang, Malaysia during the Reporting Period.

The base is primarily to manufacture 8-inch SiC epitaxial wafers, with a planned annual capacity of 400,000 wafers. The capacity of this base represents an overseas addition to the Company's 8-inch SiC epitaxial wafer capacity, supplementing the existing and under-construction 8-inch capacity at the Xiamen base. The two sets of capacity complement each other and together create the Company's overall 8_inch capacity footprint. As of the first half of 2026, the Company has completed land acquisition, and has made positive progress in project scheme design and construction approval from the Malaysian local government, among other preliminary tasks. The Company has secured the special tax incentive qualification for manufacturing sector in Malaysia, therefore the Company will enjoy a preferential tax rate of 0% for corporate income tax for a period of 10 years for the corresponding investment project upon fulfillment of the agreed conditions.

(III) Operational Plan and Strategic Priorities for the Second Half of 2026

1. Expand production capacity in an orderly manner and reinforce supply capability

In the second half of 2026, as the equipment for the projects funded by proceeds from the Listing will be gradually delivered and commissioned, and as capacity utilization will ramp up, the production capacity of the Company will rise to a new level, providing support for the further rapid growth in demand for AIDC products. The gross margin of the Company is expected to further improve.

The Company will actively advance the mass production validation and capacity ramp-up of new production lines. Through iterative optimization of process parameters, standardization of production workflows and enhancement of frontline operator skills, the Company will accelerate the transition of newly added capacity from the trial production stage to stable mass production, ensuring that the pace of capacity release precisely matches the demand of downstream device manufacturers. As new capacity continues to be released in an orderly manner, the supply assurance capability and rapid delivery capability of the Company in the global SiC epitaxy market will be significantly strengthened. At the same time, supported by the unit cost dilution effect from scaled production and improved process maturity, the cost competitiveness of the Company will be further reinforced, thereby building a solid capacity foundation for deepening engagement with core customers and expanding global market share.

2. Consolidate existing markets and expand into new markets to create industry ecosystem

Adhering to the development philosophy of "customer centricity, technology integration, global outreach and ecosystem win-win", the Company leverages our direct sales network and the coordinated mechanism of sales, R&D and production to directly capture frontline customer needs and respond with rapid product and service iterations. With stable product quality, reliable delivery performance and supporting technical services, the Company has forged deep partnerships with global leading SiC power semiconductor manufacturers. Consequently, customer loyalty and brand recognition have been steadily enhanced.

At the customer strategy level, we comprehensively reinforce our market leadership following the principle of "enhancing services for existing customers and exploring new customer opportunities". In the domestic market, we have built local service teams to cement mutual trust with core customers through regular and in-depth technical exchanges. At the same time, we actively monitor emerging downstream applications to expand our pool of high-value customers and, by leveraging economies of scale, offer more competitive product solutions. In the overseas market, we focus on leading global industry players, deepen cooperation with flexible customized solutions, enhance delivery quality through a rigorous quality control system and build differentiated competitive advantages to further boost our global brand influence.

The Company is deeply embedded in the SiC industry value chain. By proactively coordinating R&D arrangements and engaging in customized joint development with downstream customers, we drive the deep integration of our technology roadmap with customer needs. This enables us to upgrade our positioning from a "product supplier" to a "technology partner", thus reinforcing the foundation for long-term cooperation. Meanwhile, we connect with globally leading supply chain resources and work with upstream and downstream enterprises to build an industrial ecosystem where all players work in close coordination to promote the penetration of large-size and high-performance products into various application fields, thus achieving win-win development across the industry chain.

3. Keep pursuing breakthroughs in R&D to consolidate technological advantages

Going forward, we will continue to maintain high-level R&D investment and stay focused on the three main R&D pillars of product, process and engineering, so as to achieve coordinated breakthroughs in core technologies. Specifically, we will intensify our R&D efforts on ultra-thick epitaxy technology, trench backfill epitaxy technology and 12-inch large-size products. We will further strengthen our technological moat in large-size and specialty process domains. By doing so, we aim to consolidate our leading position in the global SiC epitaxy market.

4. Expedite the development of overseas base to reinforce global supply assurance

In the second half of 2026, the Company will fully accelerate the construction of our 8-inch SiC epitaxial wafer project in Penang, Malaysia. According to the established strategic plan, we will commence full-scale engineering construction of the plant and supporting infrastructure in August 2026. It is expected that by the end of the second quarter to the beginning of the third quarter of 2027, we will complete the topping-out of the main plant structure, the fit-out of high-standard cleanrooms and the installation and commissioning of core production equipment.

The Company will continue to concentrate superior resources to ensure the efficient progress of this overseas base, and strive to achieve trial production in the second half of 2027 and enter the production ramp-up phase. Upon completion and operation of the project, it will significantly enhance overseas delivery and service capabilities of the Company for overseas customers, and further strengthen overall competitiveness of the Company in the global SiC epitaxy market.

In the first half of 2026, at a turning point in the industry cycle, the Group seized the opportunity of our successful H-Share listing and made positive progress in operations, R&D and internationalization. In the second half of 2026, with sustained release of demand from core downstream applications such as AI data centers, new energy vehicles and energy storage, the SiC industry is poised to maintain its high prosperity driven by multiple synergistic scenarios, with further room for development. The Company will continue to take technological innovation as our core growth driver, seize the industry opportunities driven by the combined forces of "AI data centers, new energy vehicles and energy storage", steadily enhance operational efficiency, improve our global footprint, strengthen supply chain resilience and risk management capabilities, and accelerate the widespread adoption of SiC epitaxial wafers. Committed to becoming a world-class SiC epitaxial wafer enterprise that is technologically leading, well-governed and trusted by customers, we endeavor to bring the benefits of SiC products to every household and safeguard our blue skies and clear waters through SiC technology.

CORPORATE GOVERNANCE

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of the Shareholders and to enhance corporate value and accountability.

Compliance with Corporate Governance Code

As the H Shares were listed on the Stock Exchange on 30 March 2026 (the "**Listing Date**"), the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**") applies to the Company only from the Listing Date.

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive officer must be separate and shall not be performed by the same individual. The Company deviates this code provision because Dr. Zhao Jianhui ("**Dr. Zhao**") performs both the roles of the chairman of the Company and a co-general manager of the Company. He has been responsible for the Company's overall strategic planning and operational decisions for over ten years. He is an experienced industry professional with extensive experience in the industry and corporate management. In view of Dr. Zhao's experience, personal profile and position in the Company, the Board is of the view that vesting the roles of both the chairman and co-general manager in the same person would be beneficial to ensuring the leadership consistency and more effective execution of the Company's overall strategic plan.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, because: (i) any decision made by the Board must be approved by at least a majority of the Directors; (ii) Dr. Zhao and the other Directors are aware of and have undertaken to fulfill their fiduciary duties as Directors, which duties require (among other things) them to act in the interests and for the best interests of the Company and will make decisions for the Company accordingly; and (iii) the operation of the Board ensures a balance of power and authority, as the Board comprises experienced and high-caliber individuals who meet regularly to discuss matters affecting the Company's operations. Moreover, the overall strategic and other key business, financial and operational policies of the Company are made collectively after full discussion among the Board and the senior management.

Save as disclosed above, the Company has complied with all applicable code provisions set out in the Corporate Governance Code throughout the period from the Listing Date to the date of this announcement. The Board will continue to review and monitor the Company's code of corporate governance practices to maintain a high standard of corporate governance.

Compliance with Model Code

Since the Listing Date, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors, Supervisors and relevant employees in securities of the Company and other matters covered by the Model Code.

All Directors, Supervisors and relevant employees, having made specific enquiries, confirmed that they have complied with the Model Code during the period from the Listing Date to the date of this announcement.

Audit Committee

The audit committee of the Board (the "**Audit Committee**") is comprised of three members, namely Ms. Guo Danxia, Dr. Liao Yi and Dr. Su Xinlong. Dr. Su Xinlong serves as the chairman of the Audit Committee, and he possesses the "appropriate accounting or relevant financial management expertise" as required by Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed with the management of the Company the unaudited consolidated financial statements for the six months ended 30 June 2026. The Audit Committee considered that the interim results are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed with the management of the Company the accounting policies and practices adopted by the Company and internal control.

At the request of the Audit Committee, BDO Limited, the auditor of the Company (the "**Auditor**"), has performed certain agreed-upon procedures on the Group's interim condensed consolidated financial statements for the Reporting Period in accordance with Hong Kong Standard on Related Services 4400 (Revised), "Agreed-Upon Procedures Engagements". The agreed-upon procedures performed by the Auditor were solely for the purpose of assisting the Audit Committee in reviewing the Group's interim results for the Reporting Period. As the agreed-upon procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, the Auditor does not express any assurance on the interim results of the Group. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed, among other things, financial reporting matters, including a review of the unaudited interim condensed consolidated results of the Group for the Reporting Period.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities or Sale of Treasury Shares

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares (as defined under the Listing Rules)) during the period from the Listing Date to 30 June 2026.

As of 30 June 2026, the Company did not hold any treasury shares as defined in the Listing Rules.

Use of Proceeds

With the H Shares listing on the Stock Exchange on 30 March 2026, the net proceeds from the Global Offering (for which the Company had no over-allotment option) received by the Company were approximately HKD1,559.5 million after deduction of underwriting commissions and related costs and expenses, which will be utilized for the purposes set out in the Prospectus.

As of the date of this announcement, there was no change in the intended use of net proceeds as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. To the extent that net proceeds are not immediately used for the intended use and to the extent permitted by the relevant law and regulations, the Company will place the net proceeds as short-term deposits only at licensed banks or financial institutions. For details of the breakdown of the use of proceeds, please refer to the interim report to be published by the Company in due course.

Interim Dividend

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2026.

Material Litigation

During the six months ended 30 June 2026, the Company was not involved in any material litigation or arbitration which could have a material and adverse effect on our financial condition or results of operations.

Events After the Reporting Period

The Company is not aware of any material subsequent events from 30 June 2026 to the date of this announcement.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Six months ended June 30, 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
REVENUE	5	**577,632**	300,781
Cost of sales		**(416,974)**	(246,037)
Gross profit		**160,658**	54,744
Other income and other gains and losses, net	6	**77,231**	110,094
Selling and distribution expenses		**(5,744)**	(5,085)
Administrative and other expenses		**(102,814)**	(105,889)
Research and development costs		**(53,472)**	(40,734)
Impairment loss on financial assets, net		**(8,661)**	(376)
Finance costs		**(5,024)**	(6,842)
PROFIT BEFORE TAX	7	**62,174**	5,912
Income tax expense	8	**(13,592)**	(7,880)
PROFIT/(LOSS) FOR THE PERIOD		**48,582**	(1,968)
Earnings/(loss) per share (RMB) attributable to owners of the Company			
Basic and diluted	10	**0.12**	(0.005)
Other comprehensive income for the year, after tax and reclassification adjustments			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of:			
– financial statements of foreign subsidiaries		**(427)**	–
Other comprehensive income for the year		**(427)**	–
Total comprehensive income/(expense) for the year attributable to equity shareholders of the Company		**48,155**	(1,968)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As of June 30, 2026** *RMB'000* **(unaudited)**	As of December 31, 2025 *RMB'000* (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**1,987,706**	1,965,325
Right-of-use assets		**77**	77
Intangible assets		**1,372**	1,414
Investments in joint venture		**40,000**	–
Financial assets measured at fair value through profit or loss		**16,500**	–
Prepayments for acquisition of property, plant and equipment		**32,480**	6,566
Deferred tax assets		**10,317**	2,945
Other non-current assets		**5,089**	4,801
Total non-current assets		**2,093,541**	1,981,128
Current assets			
Inventories	*11*	**370,548**	305,514
Trade and bills receivables	*12*	**562,623**	354,589
Prepayments, deposits and other receivables		**37,715**	17,514
Value-added tax ("VAT") recoverable		**23,097**	39,446
Term deposits		**569,835**	611,677
Cash and cash equivalents		**2,648,990**	1,213,993
Total current assets		**4,212,808**	2,542,733
Current liabilities			
Trade payables	*13*	**298,185**	163,655
Other payables and accruals	*14*	**93,978**	109,262
Contract liabilities		**57**	186
Lease liabilities		**67**	67
Borrowings	*15*	**154,041**	162,451
Derivative financial instruments		**5,208**	2,812
Income tax payable		**22,705**	37,271
Total current liabilities		**574,241**	475,704
Net current assets		**3,638,567**	2,067,029
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,732,108**	4,048,157
Non-current liabilities			
Borrowings	*15*	**874,554**	724,210
Deferred revenue	*16*	**317,453**	313,367
Deferred tax liabilities		**–**	877
Total non-current liabilities		**1,192,007**	1,038,454
Net assets		**4,540,101**	3,009,703

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As of June 30, 2026** ***RMB'000*** **(unaudited)**	As of December 31, 2025 *RMB'000* (audited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	*17*	**425,585**	404,093
Reserves		**4,114,516**	2,605,610
TOTAL EQUITY		**4,540,101**	3,009,703

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Epiworld International Co., Ltd. (the "Company") is a limited liability company incorporated in the People's Republic of China (the "PRC") on March 31, 2011. The Company has been listed on the Mainboard of the Hong Kong Stock Exchange since March 30, 2026. The registered office address and principal place of business of the Company are located at No. 198-1 Shitou Dong'er Road., Tongxiang High-tech Park, Xiamen Torch Development Zone for High Technology Industries, Xiamen 361101, Fujian, the PRC.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacturing and sale of silicon carbide ("SiC") epitaxial wafers.

2. BASIS OF PREPARATION

The interim 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 ("IASB") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the Group's financial statements for the period ended June 30, 2026, except for those that relate to amendments to IFRS Accounting Standards ("IFRSs") issued by IASB effective for the first time for the annual period beginning on or after January 1, 2026. In addition, the accounting policy for investments in joint venture and financial assets measured at fair value through profit or loss, which are newly applied in the current interim period following the Group's first investments in joint venture, is set out separately below.

(a) Investments in joint venture

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- *Joint ventures:* where the Group has rights to only the net assets of the joint arrangement; or
- *Joint operations:* where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- the structure of the joint arrangement;
- the legal form of joint arrangements structured through a separate vehicle;
- the contractual terms of the joint arrangement agreement; and
- any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method).

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Company's interests in joint ventures are stated at cost less impairment losses, if any. Results of joint ventures are accounted for by the Company on the basis of dividends received and receivable.

(b) Financial assets measured at fair value through profit or loss

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

The preparation of interim condensed consolidated financial statements in compliance with IAS 34 requires management to use of certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The interim condensed consolidated financial statements contain condensed consolidated financial statements and selected explanatory notes. The selected notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the latest consolidated financial statements as at and for the period ended June 30, 2026. The interim condensed consolidated interim financial statements do not include all of the information and disclosures required for full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim condensed consolidated financial statements are in Renminbi ("RMB"), and all amounts are rounded to the nearest thousand, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. SEGMENT INFORMATION

(a) Operating segment information

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the directors of the Company, being chief operating decision maker, for their decisions about resource allocation to the Group's business components and for their review of these components' performance.

During the period, the Group is principally engaged in the manufacturing and sale of SiC epitaxial wafers under Turnkey service and provision of processing services for SiC epitaxial wafers under Consign service in the PRC. Information reported to the directors of the Company for the purpose of resource allocation and performance assessment focuses on the operating results of the business. Therefore, the chief operating decision maker of the Company regards that there is only one operating segment which is used to make strategic decisions. No other discrete financial information is provided other than the Group's results and financial position as a whole.

(b) Geographical information

The Group is domiciled in the PRC, which is the location of the Group's principal office. All of the Group's revenue from external customers are originated from PRC. These revenues from external customers are further divided into the following geographical areas:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue by region		
Asia – Greater China	**267,553**	120,495
Asia – Other than Greater China	**226,045**	135,189
Europe	**57,786**	33,158
North America	**26,248**	11,939
Total	**577,632**	300,781

The Group's revenue information above is based on the delivery destinations of the Group's products and services requested by the customers.

5. REVENUE

Revenue primarily represents the revenue from Turnkey service and Consign service.

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue		
Turnkey service	**532,837**	258,968
Consign service	**13,651**	20,788
Others	**31,144**	21,025
	577,632	300,781

All revenue is recognized at a point in time when the goods are delivered to the customers. All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied (or partially unsatisfied) performance obligations is not disclosed.

6. OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Bank interest income	**41,862**	33,178
Government grants	**106,288**	86,558
Fair value loss on derivatives financial instruments	**(2,396)**	–
Gain on disposal of property, plant and equipment	**3,806**	–
Exchange loss	**(72,346)**	(9,647)
Others	**17**	5
	77,231	110,094

Note: These government grants mainly comprised of subsidies received/receivable for subsidizing the Group's business. There was no unfulfilled condition to receive government grants at the end of each reporting period.

7. PROFIT BEFORE TAX

Profit before tax is arrived at after charging the following:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories recognized as expenses	**409,512**	238,560
Depreciation of property, plant and equipment	**95,738**	70,864
Depreciation of right-of-use assets	**55**	55
Amortization of intangible assets	**1,266**	531
Employee costs (including directors' emoluments):		
– Salaries and wages	**46,379**	35,454
– Retirement scheme contributions	**3,197**	2,853
– Equity-settled share-based payments (Note 19)	**82,989**	82,989
	132,565	121,296
Write-down of inventories to net realizable value	**7,461**	7,477
Impairment loss on financial assets, net:		
– Trade and bills receivables	**6,509**	(48)
– Deposits and other receivables	**2,152**	424
	8,661	376

8. INCOME TAX EXPENSE

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current year – PRC corporate income tax	**(21,841)**	(9,682)
Deferred tax	**8,249**	1,802
	(13,592)	(7,880)

The Group is subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated.

9. DIVIDENDS

No dividend were declared and paid during the current interim period (2025: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Earnings/(loss) for the period attributable to ordinary equity shareholders of the Company		
Profit/(loss) for the period attributable to all equity shareholders of the Company	**48,582**	(1,968)

	Six months ended June 30,	
	2026	2025
	'000	*'000*
	(unaudited)	(unaudited)
Weighted average number of shares		
Ordinary shares in issue/deemed to be in issue as at January 1	**404,093**	404,093
Effect of ordinary shares issued under initial public offering	**5,476**	–
Effect of ordinary shares with redemption rights	**–**	(1,163)
Weighted average number of ordinary shares in issue, for the purposes of basic and diluted earnings/(loss) per share	**409,569**	402,930

Diluted earnings/(loss) per share are the same as the basic earnings/(loss) per share as the Company had no dilutive potential ordinary shares in existence for both periods.

11. INVENTORIES

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Raw materials	**288,063**	250,237
Finished goods	**71,995**	58,660
Work in progress	**38,014**	16,738
	398,072	325,635
Write-down of inventories to net realizable value	**(27,524)**	(20,121)
	370,548	305,514

12. TRADE AND BILLS RECEIVABLES

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
Trade receivables	**573,750**	342,473
Bills receivable	**346**	17,080
	574,096	359,553
Less: impairment loss allowance	**(11,473)**	(4,964)
	562,623	354,589

An aging analysis of trade and bills receivables, net of impairment losses, as at the end of each reporting period, based on the invoice dates, is as follows:

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
Trade and bills receivables		
Within 1 year	**562,623**	354,589
	562,623	354,589

13. TRADE PAYABLES

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
Trade payables	**298,185**	163,655
	298,185	163,655

Based on the receipt of services and goods, which normally coincided with the invoice dates, the aging analysis of the Group's trade payables as at the end of each reporting period is as follows:

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
Within 1 year	**297,687**	162,873
1-2 years	**74**	437
Over 2 years	**424**	345
	298,185	163,655

The Group's trade payables are short-term in nature and hence, the carrying amount of trade payables are considered to approximate to their fair value.

14. OTHER PAYABLES AND ACCRUALS

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
Other payables	**180**	486
Construction payables	**82,061**	93,207
Other tax payables	**1,903**	2,922
Accruals	**9,834**	12,647
	93,978	109,262

As at June 30, 2026 and December 31, 2025, other payables and accruals were non-interest bearing, unsecured and repayable on demand.

15. BORROWINGS

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
Current portion		
Borrowings – unsecured	**104,641**	122,586
Borrowings – secured	**49,400**	39,865
	154,041	162,451
Non-current portion		
Borrowings – unsecured	**385,314**	235,682
Borrowings – secured	**489,240**	488,528
	874,554	724,210
	1,028,595	886,661

16. DEFERRED REVENUE

	As of June 30, 2026 *RMB'000* (unaudited)	As of December 31, 2025 *RMB'000* (audited)
At the beginning of the period/year	**313,367**	260,764
Additions	**110,374**	139,161
Credited to profit or loss during the period/year (Note 6)	**(106,288)**	(86,558)
At the end of the period/year	**317,453**	313,367

Deferred revenue consists of deferred government grants mainly for construction of certain property, plant and equipment. The grants from local government were conditional and the conditions would be fulfilled upon the completion of construction of certain property, plant and equipment of the Group. The grants will be recognized as income in profit or loss on a systematic basis over the estimated useful lives of the property, plant and equipment.

17. SHARE CAPITAL

A summary of movements in the Company's share capital is as follows:

Issued	**Number of shares in issue**	**Share capital** *RMB'000*
At December 31, 2024, January 1, 2025 and December 31, 2025 (audited)	404,092,760	404,093
Issuance of ordinary shares upon public offering	21,492,050	21,492
At June 30, 2026 (unaudited)	425,584,810	425,585

Note:
On March 30, 2026, the Company's shares were listed on the Main Board of the Stock Exchange and issued 21,492,050 new shares of RMB1.00 each at a price of HK$76.26 per share for a total cash consideration, before deducting underwriting commission and expenses relating to the issue of new shares. The proceeds of RMB21,492,050 represents the par value of the shares of the Company, was credited to the Company's share capital. The remaining proceeds of RMB1,377,762,000, net of issuance costs, was credited to share premium of the Company.

18. CAPITAL COMMITMENTS

As at June 30, 2026 and December 31, 2025, the Group had outstanding capital commitments as follows:

	As of June 30, 2026 ***RMB'000*** **(unaudited)**	As of December 31, 2025 *RMB'000* (audited)
Contracted, but not provided for:		
– Construction-in-progress	**261,023**	87,739
– Office equipment	**400**	825
	261,423	88,564

19. SHARE-BASED PAYMENTS

During the six months ended June 30, 2025 and 2026, the Group recognised share-based payment expenses of RMB82,989,005 and RMB82,989,005, respectively.

20. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amounts of financial assets and liabilities of the Group:

	As of June 30, 2026	As of December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Financial assets		
Financial assets at amortized cost:		
Trade receivables	**562,277**	337,509
Deposits and other receivables	**34,311**	5,515
Term deposits	**569,835**	611,677
Cash and cash equivalents	**2,648,990**	1,213,933
	3,815,413	2,168,634
Financial assets at FVOCI:		
Bills receivable	**346**	17,080
Financial liabilities		
Financial liabilities measured at amortized cost:		
Trade payables	**298,185**	163,655
Other payables and accruals, excluding other tax payables	**92,075**	106,340
Lease liabilities	**67**	67
Borrowings	**1,028,595**	886,661
	1,418,922	1,156,723
Financial liabilities at FVPL:		
Derivative financial instruments	**5,208**	2,812

21. SUBSEQUENT EVENT

There was no material event subsequent to the reporting period to be disclosed.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.epiworld.com.cn). The interim report of the Company for the six months ended 30 June 2026 will be published on the same websites in due course for inspection.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, management team, employees, business partners and customers of the Group for their support and contribution to the Group.

By order of the Board
Epiworld International Co., Ltd.
Dr. Zhao Jianhui
Chairman and Executive Director

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises (i) Dr. Zhao Jianhui and Ms. Pan Menghan as executive Directors; (ii) Ms. Xie Jieping and Ms. Guo Danxia as non-executive Directors; and (iii) Dr. Kang Junyong, Dr. Liao Yi and Dr. Su Xinlong as independent non-executive Directors.