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**Shanghai Conant Optical Co., Ltd.**  
**上海康耐特光學科技集團股份有限公司**

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

**(Stock Code: 2276)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Director(s)**”) of Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團股份有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2025, together with comparative figures for the same period in 2024.

In this announcement, “we”, “us”, and “our” refer to the Company and where the context otherwise requires, the Group.

**HIGHLIGHTS**

- Revenue for the six months ended 30 June 2025 amounted to approximately RMB1,084.2 million, representing an increase of approximately 11.1% as compared with the same period in 2024.
- Gross profit for the six months ended 30 June 2025 amounted to approximately RMB444.3 million, representing an increase of approximately 16.2% as compared with the same period in 2024.
- Profit attributable to owners of the parent for the six months ended 30 June 2025 amounted to approximately RMB272.9 million, representing an increase of approximately 30.7% as compared with the same period in 2024.
- Earnings per share for the six months ended 30 June 2025 amounted to approximately RMB0.59, representing an increase of approximately 18.0% as compared with the same period in 2024.
- The Board has recommended the payment of an interim dividend of RMB0.15 (tax inclusive) per share for the half year ended 30 June 2025.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
<b>Revenue</b>	3	<b>1,084,235</b>	976,396
Cost of sales		<u>(639,955)</u>	<u>(594,042)</u>
<b>Gross profit</b>		<b>444,280</b>	382,354
Other income and gains	3	<b>29,209</b>	27,098
Selling and distribution expenses		<b>(53,819)</b>	(53,589)
Administrative expenses		<b>(93,673)</b>	(94,935)
Impairment loss on financial assets		<b>(3,239)</b>	(7,923)
Other expenses		<b>(1,648)</b>	(975)
Finance costs	5	<b>(3,027)</b>	(4,829)
Share of gains/(losses) of:			
A joint venture		<b>85</b>	(57)
An associate		<u><b>(1,317)</b></u>	<u>(1,446)</u>
<b>PROFIT BEFORE TAX</b>	4	<b>316,851</b>	245,698
Income tax expense	6	<u><b>(43,986)</b></u>	<u>(36,966)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><b>272,865</b></u>	<u>208,732</u>
Attributable to:			
Owners of the parent		<u><b>272,865</b></u>	<u>208,732</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	8	<u><b>RMB0.59</b></u>	<u>RMB0.50</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
Notes		(Unaudited)	(Unaudited)
	<b>PROFIT FOR THE PERIOD</b>	<b><u>272,865</u></b>	<b><u>208,732</u></b>
	<b>OTHER COMPREHENSIVE INCOME</b>		
	Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
	Exchange differences on translation of foreign operations	<b><u>8,042</u></b>	<b><u>7,959</u></b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>280,907</u></b>	<b><u>216,691</u></b>
	Attributable to:		
	Owners of the parent	<b><u>280,907</u></b>	<b><u>216,691</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2025*

		<b>30 June 2025</b>	31 December 2024
		<b>RMB'000</b>	<b>RMB'000</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>648,893</b>	586,852
Investment properties		<b>13,520</b>	14,188
Right-of-use assets		<b>30,478</b>	32,045
Other intangible assets		<b>3,453</b>	559
Investment in a joint venture		<b>149</b>	63
Investment in an associate		<b>56,069</b>	57,386
Long-term prepayments		<b>26,080</b>	20,338
Deferred tax assets		<b>14,312</b>	8,378
Time deposit		<b>50,000</b>	50,000
<b>Total non-current assets</b>		<b>842,954</b>	769,809
<b>CURRENT ASSETS</b>			
Inventories	9	<b>553,033</b>	562,857
Trade and bills receivables	10	<b>418,618</b>	355,862
Due from related parties		<b>1,327</b>	12
Prepayments, deposits and other receivables		<b>113,523</b>	48,720
Financial assets at fair value through profit or loss		<b>530,770</b>	149,454
Cash and cash equivalents		<b>786,069</b>	499,070
Pledged bank deposits		<b>4,500</b>	3,000
<b>Total current assets</b>		<b>2,407,840</b>	1,618,975
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	<b>107,684</b>	189,287
Other payables and accruals		<b>268,523</b>	177,245
Contract liabilities		<b>44,631</b>	47,144
Interest-bearing bank and other borrowings		<b>205,469</b>	289,623
Lease liabilities		<b>2,525</b>	2,548
Due to related parties		<b>1,360</b>	1,247
Tax payable		<b>33,774</b>	25,134
<b>Total current liabilities</b>		<b>663,966</b>	732,228
<b>NET CURRENT ASSETS</b>		<b>1,743,874</b>	886,747
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,586,828</b>	1,656,556

	<b>30 June 2025</b>	31 December 2024
	<b>RMB'000</b>	<b>RMB'000</b>
<i>Notes</i>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>NON-CURRENT LIABILITIES</b>		
Retirement benefit obligations	<b>8,553</b>	10,103
Lease liabilities	<b>24,160</b>	25,373
Deferred tax liabilities	<b>31,800</b>	28,926
Deferred income	<b>6,468</b>	6,597
	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>70,981</b>	70,999
	<hr/>	<hr/>
<b>NET ASSETS</b>	<b>2,515,847</b>	1,585,557
	<hr/>	<hr/>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	<b>479,925</b>	426,600
Reserves	<b>2,035,922</b>	1,158,957
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<b>TOTAL EQUITY</b>	<b>2,515,847</b>	1,585,557
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## NOTES TO FINANCIAL STATEMENTS

### 1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all standards and interpretations, International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative instruments and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## **1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

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

Other than additional accounting policies resulting from application of amendments to IFRSs disclosed below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2024.

### **Application of amendment to IFRS Accounting Standards**

In the current interim period, the Group has applied the following amendment to IFRS Accounting Standards as issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

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

## 2 OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of resin spectacle lenses.

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of the resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

### Geographical information

#### (a) Revenue from external customers

	For the six months ended 30 June			
	2025		2024	
	<b>RMB'000</b>	<b>% of total</b>	<b>RMB'000</b>	<b>% of total</b>
	<b>(Unaudited)</b>	<b>revenue</b>	<b>(Unaudited)</b>	<b>revenue</b>
Mainland China	359,151	33.1	301,823	30.9
Asia (except mainland China)	295,423	27.3	241,074	24.7
Americas	220,120	20.3	224,178	22.9
Europe	170,518	15.7	160,937	16.5
Oceania	26,464	2.4	38,100	3.9
Africa	12,559	1.2	10,284	1.1
	<b>1,084,235</b>	<b>100.0</b>	<b>976,396</b>	<b>100.0</b>

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

#### (b) Non-current assets

	30 June 2025	31 December 2024
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Mainland China	650,588	639,679
Japan	33,123	19,762
Thailand	94,931	51,990
	<b>778,642</b>	<b>711,431</b>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes deferred tax assets.



## Information about major customers

For the six months ended 30 June 2025, revenue of approximately RMB100,243,000 (six months ended 30 June 2024: RMB99,448,000) was derived from a single customer, including sales to a group of entities which are known to be under common control with that customer.

## 3 REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue from contracts with customers	<b><u>1,084,235</u></b>	<b><u>976,396</u></b>

### Disaggregated revenue information

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Type of goods or services</b>		
Standardised lenses	<b>512,505</b>	427,205
Multifunctional lenses	<b>382,266</b>	351,410
Customised lenses	<b>184,872</b>	194,365
Others	<b><u>4,592</u></b>	<u>3,416</u>
	<b><u>1,084,235</u></b>	<b><u>976,396</u></b>
<b>Geographical markets</b>		
Mainland China	<b>359,151</b>	301,823
Asia (except Mainland China)	<b>295,423</b>	241,074
Americas	<b>220,120</b>	224,178
Europe	<b>170,518</b>	160,937
Oceania	<b>26,464</b>	38,100
Africa	<b><u>12,559</u></b>	<u>10,284</u>
Total revenue from contracts with customers	<b><u>1,084,235</u></b>	<b><u>976,396</u></b>

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<b>1,084,235</b>	976,396

An analysis of other income and gains is as follows:

	Notes	For the six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
<b>Other income</b>			
Government grants and subsidies			
related to income	(i)	<b>4,923</b>	6,625
related to assets	(ii)	<b>1,055</b>	1,052
Gross rental income from investment			
property operating leases		<b>6,921</b>	6,289
Bank interest income		<b>9,702</b>	2,386
Others		<b>3,160</b>	4,002
		<b>25,761</b>	20,354
<b>Gains</b>			
Foreign exchange differences, net		<b>1,492</b>	3,606
Fair value gain on financial assets at fair value through profit or loss		<b>1,956</b>	3,138
		<b>3,448</b>	6,744
		<b>29,209</b>	27,098

- (i) The government grants and subsidies related to income have been received principally to reward for the contribution to the local economic growth. These grants related to income are recognised in profit or loss upon receipt of these rewards. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) The Group has received certain government grants related to the investments in production bases. The grants related to assets were recognised in profit or loss over the useful lives of relevant assets.

#### 4. PROFIT BEFORE TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<i>Notes</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of inventories sold*	<b>639,955</b>	594,042
Research and development costs	<b>48,500</b>	48,399
Depreciation of property, plant and equipment	<b>32,542</b>	26,906
Depreciation of right-of-use assets	<b>1,567</b>	652
Depreciation of investment properties	<b>666</b>	731
Amortisation of intangible assets	<b>238</b>	85
Lease payments not included in the measurement of lease liabilities	<b>544</b>	850
Employee benefit expense (including directors' and chief executive's remuneration):		
Wages, salaries and other allowances	<b>153,013</b>	165,133
Pension scheme contributions and social welfare	<b>43,313</b>	41,140
	<b>196,326</b>	206,273
Foreign exchange differences, net	<b>(1,492)</b>	(3,606)
Fair value of financial instruments	<b>(1,956)</b>	(3,138)
Impairment of trade and other receivables	<b>3,239</b>	7,923
Write-down of inventories to net realisable value	<b>(5,781)</b>	5,662
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	<b>63</b>	59

- \* During the six months ended 30 June 2025, employee benefit expense of RMB125,970,000 (six months ended 30 June 2024: RMB136,526,000), and write-down of inventories to net realisable value of RMB(5,781,000) (six months ended 30 June 2024: RMB5,662,000) were included in cost of inventories sold disclosed above.

## 5. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Interest on bank loans	<b>2,458</b>	4,605
Interest on lease liabilities	<b>553</b>	194
Interest on defined benefit obligations	<b>16</b>	30
	<b>3,027</b>	4,829

## 6. INCOME TAX EXPENSES

Jiangsu Conant Optics Co., Ltd. was accredited as a “High and New Technology Enterprise” in 2023, and therefore the Company is entitled to a preferential EIT rate of 15% for the six months ended 30 June 2025 (six months ended 30 June 2024: 15%). “High and New Technology Enterprise” qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Shanghai Conant Optics Co., Ltd. was accredited as a “High and New Technology Enterprise” in 2024, and therefore the Company is entitled to a preferential EIT rate of 15% for the six months ended 30 June 2025 (six month ended 30 June 2024: 15%). “High and New Technology Enterprise” qualifications are subject to review by the relevant tax authority in the PRC for every three years.

Other subsidiaries located in Mainland China were subject to corporate income tax at the statutory rate of 25% under the income tax rules and regulations in the PRC.

Hong Kong profits tax was provided at the rate of 16.5% on the estimated taxable income arising in Hong Kong for the six months ended 30 June 2025.

Pursuant to the relevant tax laws, the subsidiary incorporated in the United States was subject to federal corporation income tax at the rate of 21% (six months ended 30 June 2024: 21%) on the federal taxable income as well as Georgia’s state corporate income tax at the rate of 5.75% (six months ended 30 June 2024: 5.75%) on its Georgia taxable income for the six months ended 30 June 2025.

According to prevailing Mexican tax law, the subsidiaries located in Mexico were subject to federal corporate income tax at a rate of 30% for the six months ended 30 June 2025 (six months ended 30 June 2024: 30%).

Pursuant to the rules and regulations of Japan, the subsidiary incorporated in Japan was subject to corporate tax, inhabitant tax and enterprise tax, and the effective statutory tax rates for these taxes were 34.26% for the six months ended 30 June 2025 (six months ended 30 June 2024: 34.26%).

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current – Mainland China	<b>39,013</b>	28,197
Current – Hong Kong	<b>290</b>	460
Current – Japan	<b>5,434</b>	4,018
Current – United States	<b>273</b>	1,158
Deferred tax expense	<b>(1,024)</b>	3,133
	<hr/>	<hr/>
Total tax charge for the period	<b>43,986</b>	36,966
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A reconciliation of tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective tax rate, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Profit before tax	<b>316,851</b>	245,698
Tax at the statutory tax rate of 25%	<b>79,213</b>	61,425
Impact of different tax rates applied to subsidiaries	<b>(32,079)</b>	(25,639)
Effect of withholding tax at 5% on the distributable profits of the Group's subsidiaries	<b>290</b>	460
Impact of the results of a joint venture and an associate	<b>308</b>	376
Expenses not deductible for tax	<b>189</b>	191
Additional deduction on research and development expenses	<b>(5,793)</b>	(5,178)
Unrecognised deductible temporary differences	<b>349</b>	1,534
Tax losses not recognised	<b>1,483</b>	3,653
Others	<b>26</b>	144
	<hr/>	<hr/>
Tax charge at the Group's effective rate	<b>43,986</b>	36,966
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## 7. DIVIDENDS

During the six months ended 30 June 2025, a final dividend for the year 2024 of RMB0.16 (tax inclusive) per ordinary share, amounting to a total of RMB76,788,000, proposed to the shareholders of the Company was approved at the annual general meeting held on 14 June 2025, which will be paid on 11 August 2025.

The Board recommends the payment of 2025 interim dividend for the six months ended 30 June 2025 to the shareholders of the Company, details of which is set out in “Interim Dividend” under Management Discussion and Analysis below.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 466,218,000 (six months ended 30 June 2024: 418,909,000) in issue during the six months ended 30 June 2025.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2025.

## 9. INVENTORIES

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
Raw materials	<b>230,646</b>	223,969
Finished goods	<b>306,398</b>	321,567
Work in progress	<b>15,989</b>	17,321
	<b><u>553,033</u></b>	<b><u>562,857</u></b>

## 10. TRADE AND BILLS RECEIVABLES

	<b>30 June 2025</b>	31 December 2024
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Audited)</i></b>
Trade receivables	<b>479,727</b>	414,407
Impairment	<b>(61,109)</b>	(58,545)
	<b><u>418,618</u></b>	<b><u>355,862</u></b>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months. Most of customers have a maximum credit limit.

The Group seeks to maintain strict control over its outstanding receivables and reconciled the balance to customers monthly. Overdue balances are reviewed regularly by sales and financial department. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral over its trade receivable balances. In order to protect the default risk of customers, the Group has purchased certain insurance against credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 June 2025</b>	31 December 2024
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b><i>(Unaudited)</i></b>	<b><i>(Audited)</i></b>
Within 3 months	<b>318,519</b>	305,441
3 to 6 months	<b>90,764</b>	41,772
6 to 12 months	<b>8,667</b>	7,569
1 to 2 years	<b>668</b>	1,080
	<b><u>418,618</u></b>	<b><u>355,862</u></b>

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>30 June 2025 RMB'000 (Unaudited)</b>	<b>31 December 2024 RMB'000 (Audited)</b>
At beginning of year/period	<b>58,545</b>	41,287
Impairment losses recognised	<b>3,299</b>	23,566
Exchange realignment	–	–
Amount written off as uncollectible	<b>(735)</b>	(6,308)
At the end of year/period	<b><u>61,109</u></b>	<b><u>58,545</u></b>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

**As at 30 June 2025 (unaudited)**

	<b>Less than 3 months</b>	<b>3 to 6 months</b>	<b>6 to 12 months</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Expected credit loss rate	<b>4.9%</b>	<b>20.0%</b>	<b>25.0%</b>	<b>75.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>12.7%</b>
Gross carrying amount (RMB'000)	<b>334,728</b>	<b>113,455</b>	<b>11,556</b>	<b>2,674</b>	<b>159</b>	<b>17,155</b>	<b>479,727</b>
Expected credit loss (RMB'000)	<b>16,209</b>	<b>22,691</b>	<b>2,889</b>	<b>2,006</b>	<b>159</b>	<b>17,155</b>	<b>61,109</b>



As at 31 December 2024 (audited)

	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	6.3%	26.2%	23.3%	72.9%	100.0%	100.0%	14.1%
Gross carrying amount ( <i>RMB'000</i> )	325,395	55,522	11,821	3,987	328	17,354	414,407
Expected credit loss ( <i>RMB'000</i> )	20,654	14,550	2,752	2,907	328	17,354	58,545

## 11. TRADE AND BILLS PAYABLES

	<b>30 June 2025</b> <b><i>RMB'000</i></b> <b><i>(Unaudited)</i></b>	31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
Trade payables	<u>107,684</u>	<u>189,287</u>
	<b><u>107,684</u></b>	<b><u>189,287</u></b>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025</b> <b><i>RMB'000</i></b> <b><i>(Unaudited)</i></b>	31 December 2024 <i>RMB'000</i> <i>(Audited)</i>
Within 3 months	<b>85,942</b>	122,469
3 to 6 months	<b>15,321</b>	62,859
6 to 12 months	<b>5,082</b>	2,549
Over 1 year	<u><b>1,339</b></u>	<u>1,410</u>
	<b><u>107,684</u></b>	<b><u>189,287</u></b>

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

## **BUSINESS REVIEW AND OUTLOOK**

### **Overview**

We are a leading resin spectacle lens manufacturer in the People's Republic of China (the "PRC"). With the production facilities in our three production bases, namely the Shanghai Production Base, the Jiangsu Production Base in the PRC and the Sabae Production Base in Japan, our Group is capable of manufacturing resin spectacle lenses of various specifications. We offer a wide range of resin spectacle lenses to our customers including standardised lenses and customised lenses. We pride ourselves on our broad network of trusted customers worldwide which include some of the most renowned spectacle lens brand owners and international ophthalmic optic companies. Leveraging on our extensive experience in the spectacle lens industry, we have currently produced and sold quality products to over 90 countries, including but not limited to the PRC, the United States, Japan, India, Australia, Thailand, Germany and Brazil.

In the first half of 2025, our domestic and overseas businesses expanded steadily with sales continued to grow. In particular, the proportion of income from high refractive lenses increased, which further increased our gross profit margin. We also strove to optimise the allocation of resources, synergise production and management in line with the concept of cost efficiency, which in turn facilitates our profit growth. Our revenue increased by 11.1% from RMB976.4 million for the six months ended 30 June 2024 to RMB1,084.2 million for the six months ended 30 June 2025, and our profit increased by 30.7% from RMB208.7 million for the six months ended 30 June 2024 to RMB272.9 million for the six months ended 30 June 2025, primarily due to (i) an orderly expansion of international and domestic businesses as well as steady increase in sale of high value-added products; and (ii) effective enhancement of productivity and labour efficiency as well as reduction in production costs resulting from upgrade of automated production lines. In the first half of 2025, we also recorded gains from foreign exchange differences. The total sales volume reached 93.1 million pieces in the first half of 2025, representing an increase of 7.5% as compared with the same period in 2024.

## Outlook

After the H shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2021, the Company has been keen to enhance its capabilities in all respects, including technology, production efficiency, scale of productivity and brand image, resulting in boosted effectiveness with steady enhancement of performance attained by the Company. We will make our efforts focusing on the following:

We will continue to increase our R&D efforts, promote product innovation, and further optimise our product structure.

We will further enhance the automation level of our production bases and promote the expansion of overseas production capacity. The customised production line with an annual capacity of 600,000 pairs, which we are investing in at Asahi Optical’s production base in Japan, will commence production in the second half of this year. The production base in Thailand will commence construction in the second half of this year. The successive commencement of production at these overseas production bases will lay a solid foundation for the Company to further increase its market share overseas and enhance the brand premium of its products.

In the domestic market, we will adhere to a differentiation strategy for our own brand’s high-end products, leverage our competitive advantages in high-margin products, create value for channels and consumers, and continuously increase channel coverage and market share.

In the XR business sector (including AR and AI glasses), the Company continues to advance and actively expand collaborations with domestic and global technology and consumer electronics companies. With respect to overseas clients, the number of collaborative projects continues to grow, with existing projects progressing steadily. For certain key projects, the focus has shifted from initial product functionality development and technical validation to scaling up production capacity. Collaboration with domestic clients is also actively underway, with some key projects achieving product delivery and receiving positive feedback from end-users. The Company will continue to actively collaborate with domestic and global smart glasses manufacturers to develop, produce, and supply lens solutions.

Also, in the beginning of January 2025, we have completed issuance of new H Shares to the Placee, namely, Goertek (Hong Kong) Co., Limited, and raised a net proceed of approximately HK\$827,930,000. The net proceeds will gradually and ultimately be used for the research, development, design and manufacturing of lenses and vision solutions for smart glasses and XR headsets, contributing to the development of XR products of the Group in the future.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue**

We generate revenue primarily through the sales of our resin spectacle lenses. Our revenue increased by 11.1% from RMB976.4 million for the six months ended 30 June 2024 to RMB1,084.2 million for the six months ended 30 June 2025.

We principally sell our products to customers in the PRC, other Asian countries such as India and Japan, the United States and Europe such as the Netherlands, Germany and Italy. Our sales in most geographic location increased in the first half of 2025 as compared to the first half of 2024, primarily attributable to (i) sales growth through different channels and (ii) the continuous upgrades of our products and services and optimisation of our product mix.

We recorded income growth in both our standardised lenses and multifunctional lenses segments, primarily due to our promotion of high-end lenses, such as high refractive lenses and multifunctional lenses.

### **Cost of Sales**

Our cost of sales increased by 7.7% from RMB594.0 million for the six months ended 30 June 2024 to RMB640.0 million for the six months ended 30 June 2025, mainly due to the corresponding increase in income, and the increment is less than that of income.

### **Gross Profit and Gross Profit Margin**

As a result of the foregoing, our gross profit increased by 16.2% from RMB382.4 million for the six months ended 30 June 2024 to RMB444.3 million for the six months ended 30 June 2025. Our overall gross profit margin increased from 39.2% for the six months ended 30 June 2024 to 41.0% for the six months ended 30 June 2025, primarily due to an increase in sales of high refractive lenses and multifunctional lenses.

The gross profit margin of our standardised lenses increased from 30.8% for the six months ended 30 June 2024 to 33.6% for the six months ended 30 June 2025, primarily due to an increase in the proportion of the sales of high refractive lenses.

The gross profit margin of our multifunctional lenses increased from 37.8% for the six months ended 30 June 2024 to 40.6% for the six months ended 30 June 2025, primarily due to an increase in the proportion of the sales of high value-added lenses.

The gross profit margin of our customised lenses increased from 59.5% for the six months ended 30 June 2024 to 61.9% for the six months ended 30 June 2025, primarily due to steady growth of the sales of our high-end customised products.

### **Other Income and Gains**

Our other income and gains increased by 7.8% from RMB27.1 million for the six months ended 30 June 2024 to RMB29.2 million for the six months ended 30 June 2025, primarily due to the receipt of the additional funds raised by Goertek (Hong Kong) Co., Limited in January 2025, and bank interest income increased by RMB7.3 million.

### **Selling and Distribution Expenses**

Our selling and distribution expenses increased by 0.4% from RMB53.6 million for the six months ended 30 June 2024 to RMB53.8 million for the six months ended 30 June 2025. The insignificant increase in selling and distribution expenses was mainly attributable to the optimisation of expenses while expanding our business.

### **Administrative Expenses**

Our administrative expenses decreased by 1.3% from RMB94.9 million for the six months ended 30 June 2024 to RMB93.7 million for the six months ended 30 June 2025, primarily attributable to our strict control of management costs in our daily operations.

### **Other Expenses**

Our other expenses increased by 69.0% from RMB1.0 million for the six months ended 30 June 2024 to RMB1.6 million for the six months ended 30 June 2025, primarily because we recorded an increase in loss from disposal of equipment.

## **Impairment on Financial Assets**

Our impairment loss on financial assets decreased by 59.1% from RMB7.9 million for the six months ended 30 June 2024 to RMB3.2 million for the six months ended 30 June 2025. The decrease was mainly due to a corresponding decrease as a result of the increase in the collection rate of accounts receivable.

## **Finance Costs**

Our finance costs decreased by 37.3% from RMB4.8 million for the six months ended 30 June 2024 to RMB3.0 million for the six months ended 30 June 2025, primarily due to a decrease in interest payment for bank loans of RMB1.8 million as a result of optimised financing structure and reduced financing scale of the Company.

## **Income Tax Expenses**

Our income tax expenses increased by 19.0% from RMB37.0 million for the six months ended 30 June 2024 to RMB44.0 million for the six months ended 30 June 2025, primarily due to an overall increase in taxable profit after our growth in profit.

## **Profit for the Period**

As a result of the foregoing, our profit for the period increased by 30.7% from RMB208.7 million for the six months ended 30 June 2024 to RMB272.9 million for the six months ended 30 June 2025.

## **Capital Structure**

Our total assets increased by 36.1% from RMB2,388.8 million as at 31 December 2024 to RMB3,250.8 million as at 30 June 2025. Our total liabilities decreased by 8.5% from RMB803.2 million as at 31 December 2024 to RMB734.9 million as at 30 June 2025. Liabilities-to-assets ratio decreased from 33.6% as at 31 December 2024 to 22.6% as at 30 June 2025.

The current ratio, being current assets divided by current liabilities as at the respective date, increased from 2.2 times as at 31 December 2024 to 3.6 times as at 30 June 2025.

## Liquidity and Financial Resources

The Group adopts a prudent funding and treasury policy with a view to optimise our financial position. We regularly monitor our funding requirements to support our business operations and perform ongoing liquidity review. Our primary uses of cash are to satisfy our working capital needs and our capital expenditure needs. For the six months ended 30 June 2025, we financed our operations primarily through internal resources and bank and other borrowings. Our cash and cash equivalents increased by 57.5% from RMB499.1 million as at 31 December 2024 to RMB786.1 million as at 30 June 2025, primarily attributable to receipt of the additional funds raised by Goertek (Hong Kong) Co., Limited.

Our gearing ratio, which is calculated based on the total borrowings divided by the total equity and multiplied by 100%, decreased from 18.3% as at 31 December 2024 to 8.2% as at 30 June 2025 as a result of (i) the decrease in the total borrowings; (ii) the increase in total equity attributable to our increased retained profits; and (iii) increase in capital surplus due to additional issuance.

As at 30 June 2025, the Group had interest-bearing and other borrowings of RMB205.5 million (as at 31 December 2024: RMB289.6 million), representing 28.0% (as at 31 December 2024: 36.1%) of its total liabilities as at the same date. Of all the borrowings of the Group as at 30 June 2025, RMB205.5 million were repayable within one year. The Group's bank borrowings amounting to RMB205.5 million as at 30 June 2025 (as at 31 December 2024: RMB289.6 million) were borrowings with fixed interest rates.

Except for the bank and other loans amounting to RMB5.0 million as at 30 June 2025 (as at 31 December 2024: RMB4.6 million), which were denominated in Japanese Yen, all the Group's bank and other borrowings as at 30 June 2025 were denominated in RMB. The Group mainly uses RMB, Japanese Yen, U.S. dollar and Hong Kong dollar to make borrowings and loans and to hold cash and cash equivalents.

As at 30 June 2025, banking credit lines of the Group totalling RMB722.0 million (as at 31 December 2024: RMB447.0 million) were utilised to the extent of RMB205.5 million (as at 31 December 2024: RMB289.6 million).

## Capital Expenditures

Our capital expenditure decreased by 13.2% from RMB102.3 million for the six months ended 30 June 2024 to RMB88.8 million for the six months ended 30 June 2025. Our capital expenditure was used primarily for the purchase of equipment with high-end production capacity and related to XR business, land titles in Thailand and other items of long-term assets. We financed our capital expenditure primarily through our cash flow generated from operating activities and proceeds from the placing of new shares to Goertek (Hong Kong) Co., Limited.

## Contingent Liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of our Group that was likely to have a material and adverse effect on our business, financial condition or results of operations.

## Interim Dividend

The Board recommends the payment of an interim dividend of RMB0.15 (tax inclusive) per ordinary share for the six months ended 30 June 2025 (the “**Proposed Interim Dividend**”) (for the six months ended 30 June 2024: RMB0.12). Subject to the approval of shareholders of the Company (the “**Shareholders**”) at the second extraordinary general meeting to be held on Tuesday, 9 September 2025 (the “**EGM**”), the Proposed Interim Dividend will be paid to the Shareholders whose names appear on the register of members of the Company on Wednesday, 17 September 2025. The Proposed Interim Dividend will be declared in RMB and paid in Hong Kong dollars based on the average exchange rate of RMB against Hong Kong dollars published by the People’s Bank of China five business days prior to the date of the EGM. The Proposed Interim Dividend is expected to be distributed to the Shareholders not later than Wednesday, 15 October 2025.



## **Closure of Register of Members**

### **(a) Entitlement to attend and vote at the EGM**

For determining the entitlement of the Shareholders to attend and vote at the EGM, the Company's register of members will be closed from Thursday, 4 September 2025 to Tuesday, 9 September 2025, both days inclusive, during which period no transfer of share will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 September 2025.

### **(b) Entitlement to the Interim Dividend**

For determining the entitlement of the Shareholders to receive the Proposed Interim Dividend, the Company's register of members will be closed from Monday, 15 September 2025 to Wednesday, 17 September 2025, both days inclusive, during which period no transfer of share will be registered. In order to be eligible to receive the Proposed Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 September 2025.

## **Pledge of Assets**

As at 30 June 2025, the Group's property, plant and equipment with carrying values of RMB125.7 million (as at 31 December 2024: RMB133.5 million), investment properties with carrying values of RMB13.5 million (as at 31 December 2024: RMB14.2 million) and leasehold land with carrying values of RMB4.7 million (as at 31 December 2024: RMB5.3 million) were pledged to secure general banking facilities granted to the Group. The Company has pledged the equity interests in certain of its subsidiaries to secure the Company's bank loans of RMB210.0 million as at 30 June 2025.

## **Foreign Exchange Risk and Hedging**

The Group has a significant amount of overseas sales from overseas customers and purchases of raw materials from overseas suppliers. Most of the Group's overseas sales are denominated in U.S. dollar. The Group's sales or purchases may also be denominated in U.S. dollar, Japanese Yen, RMB or Euro, which are the currencies other than local currency adopted by the relevant subsidiaries. As such, the Group is exposed to foreign currency risk. The Group currently does not have any hedging policy, but will closely monitor the exposure and will take measures when necessary to make sure the foreign exchange risks are manageable.

## **Significant Investment**

In the first half of 2025, the Group had significant investment which exceeded 5% but was lower than 25% of the Group's total assets. As at 30 June 2025, the Group held financial assets at fair value through profit or loss of RMB530.8 million (as at 31 December 2024: RMB149.5 million). Such financial assets included investments in various fund or wealth management products which were managed or issued by several major and reputable financial institution or commercial banks in the PRC. The value of such investments from any single financial institution or bank exceeded 5% but was lower than 25% of the Group's total assets as at 30 June 2025.

## **Material Acquisitions and Future Plans for Major Investment**

According to the Company's investment plan for Thailand, as at 30 June 2025, the Company has invested and paid in the cumulative amount of RMB92,271,430 for the acquisition of land to Thai companies. The company plans to use the land for construction of plant and supporting facilities (including warehouse and logistics), mainly for automated production lines, and semi-finished product modules. We will gradually implement this investment project in accordance with the Company's strategic plans. Also, as stated in the voluntary announcement published by the Company on 5 May 2025, in order to deepen its global strategic deployment and enhance its production capacity of customised lenses, the Company has intended to invest in the construction of an automated RX resin lens production line through its indirect wholly-owned subsidiary in Japan, Asahi Lite Optical Co., Ltd. ("**Asahi Optical**"), with a focus on the production and sales of high-end customised lenses. The project is planned with a total investment of approximately US\$4 million, which will be financed by the Group's internal funds.

## **Significant Events After the Reporting Period**

### *Payment of Dividend*

The Company planned to pay 2024 final dividend of RMB0.16 (tax inclusive) per ordinary share in full on 11 August 2025, amounting to a total of RMB76,788,000.

Except as disclosed in this announcement, there are no material events subsequent to 30 June 2025 which could have a material impact on our operating and financial performance as at the date of this announcement.

## **Company Information**

The Company was incorporated in the PRC on 20 June 2018 and is a joint stock company with limited liability. The H shares of the Company were listed on the Stock Exchange on 16 December 2021.

## **Employees**

As at 30 June 2025, we had a total of 2,949 employees who were based in PRC, Japan and United States.

The ability to recruit and retain experienced and skilled labour is crucial to our business development and growth. The remuneration payable to our employees generally includes basic salaries and discretionary bonuses. The basic salaries of our employees are generally determined by the employee's rank, position, qualification, experience and performance. The discretionary bonuses are paid on an annual basis, depending on the performance of the individual staff. In order to incentivise, attract and retain our employees, we assess the remuneration package offered to our employees on an annual basis to determine whether any adjustment to the basic salaries and bonus should be made. For the six months ended 30 June 2025, our employee benefit expenses including director's and chief executive's remuneration, wages salary, and other allowances amounted to approximately RMB206.3 million. The Group has provided various training opportunities including induction courses for new employees, training courses on management skills and technical skills.

## **No Material Change**

Since the publication of the Group's audited financial statements for the year ended 31 December 2024 on 28 April 2025, there has been no material change to the Group's business.

## **Material Litigation**

The Company was not involved in any material litigation or arbitration during the six months ended 30 June 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Company during the six months ended 30 June 2025.

## **Rounding**

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

## **OTHER INFORMATION**

### **Compliance with the Corporate Governance Code**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders and to enhance corporate value and accountability. The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange as its own code of governance. The Board is of the view that the Company has complied with all the code provisions as set out in the CG Code during the six months ended 30 June 2025, except for the deviation from code provision C.2.1 as explained below.

Mr. Fei Zhengxiang (“**Mr. Fei**”) is the chairman the Board and the general manager of the Company and he has been managing the Group’s business and supervising the overall operations of the Group since 2006. The Board considers that vesting the roles of the chairman of the Board and the general manager of the Company in Mr. Fei is beneficial to the management and business development of the Group and will provide a strong and consistent leadership to the Group. The Company believes that the balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. As at the date of this announcement, the Board comprises six executive Directors (including Mr. Fei), two non-executive Director and four independent non-executive Directors. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that:

- i. there is sufficient check and balance in the Board as the decisions to be made by the Board require approval by at least a majority of the Directors;
- ii. Mr. Fei and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that they act for the benefit and in the best interest of the Company and make decisions for the Company accordingly;
- iii. the balance of power and authority is ensured by the operations of the Board which comprises experienced and high-calibre individuals who meet regularly to discuss issues affecting the operations of the Company; and
- iv. the overall strategy and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels.

The Board will continue to review and consider splitting the roles of the chairman of the Board and the general manager at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

## **Compliance with the Model Code for Securities Transactions by Directors and Supervisors**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as its model code of conduct for securities transactions by the Directors and supervisors (the “**Supervisors**”) of the Company. Having made specific enquiry to all Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the provisions regarding the securities transactions by Directors and Supervisors as set out in the Model Code for the six months ended 30 June 2025. No incident of non-compliance in relation to the guidelines of the Model Code by the Directors, Supervisors and relevant employees was noted by the Company during the six months ended 30 June 2025.

## **Purchase, Sale or Repurchase of Listed Securities of the Company**

During the first six months of 2025, the Company repurchased 2.2 million shares of listed securities of the Company through the trustee of the Company for the share award schemes. As of 30 June 2025, the Company had repurchased 15.0 million shares in aggregate of listed securities of the Company through the trustee of the Company for the share award schemes, which are expected to be used for employees’ share incentive scheme.

On 6 January 2025, a total of 53,325,000 Placing Shares were allotted and issued to Goertek (HongKong) Co., Limited as the placee at the placing price of HK\$15.86. As at 30 June 2025, the total number of the Company’s issued H Shares was 479,925,000.

## **Audit Committee and Review of Financial Statements**

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. As at the date of this announcement, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chen Yi (chairman of the Audit Committee, and who possesses the appropriate professional qualifications and accounting and related financial management expertise), Dr. Xiao Fei and Dr. Wu Ying. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the Company’s unaudited condensed consolidated interim results for the six months ended 30 June 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

## Future Plans and Use of Proceeds

The H Shares were listed on the Stock Exchange in December 2021, and the Company obtained net proceeds of approximately HK\$473.5 million from the global offering (the “**Global Offering**”). In order to enhance the efficiency of the use of the net proceeds and to balance the use of the net proceeds in a more reasonable manner while aligning with the Company’s business development need, coupled with the changes in external environmental factors, the Board has resolved on 29 November 2022 to utilise approximately HK\$36.9 million of the net proceeds (approximately RMB30.0 million and approximately 7.8% of the net proceeds) to repay existing bank borrowings of the Group. For further details in respect of the change in use of proceeds from the Global Offering, please refer to the announcement of the Company dated 29 November 2022 (the “**Change in Use of Proceeds Announcement**”).

As at 30 June 2025, the Group has utilised approximately HK\$466.7 million of the net proceeds for the intended purposes set out in the Prospectus and the Change in Use of Proceeds Announcement, accounting for 98.6% of all raised funds, and the remaining unutilised net proceeds was approximately HK\$6.8 million. It is expected that the unutilised net proceeds from the Global Offering will continue to be used according to the purposes and proportions as disclosed in the Prospectus and the Change in Use of Proceeds Announcement. Details of the use of proceeds from the Global Offering are as follows:

Intended use of proceeds	Original allocation of net proceeds as stated in the Prospectus (HK\$ million)	Revised allocation of net proceeds <sup>1</sup> (HK\$ million)	Actual use of net proceeds up to 30 June 2025 (HK\$ million)	Unutilised proceeds as at 30 June 2025 (HK\$ million)	Expected timeline for use of unutilised proceeds
Increase the Group’s production capacity of the Shanghai Production Base (as defined in the Prospectus) and the Jiangsu Production Base (as defined in the Prospectus)	219.7	219.7	219.7	–	Not applicable
Strengthening the Group’s research and development capability	94.2	94.2	94.2	–	Not applicable
Enhancing the Group’s sales and marketing efforts	48.8	10.9	6.3	4.6	Before December 2025 <sup>2</sup>

<b>Intended use of proceeds</b>	<b>Original allocation of net proceeds as stated in the Prospectus (HK\$ million)</b>	<b>Revised allocation of net proceeds<sup>1</sup> (HK\$ million)</b>	<b>Actual use of net proceeds up to 30 June 2025 (HK\$ million)</b>	<b>Unutilised proceeds as at 30 June 2025 (HK\$ million)</b>	<b>Expected timeline for use of unutilised proceeds</b>
Working capital and general corporate purposes	47.3	47.3	47.3	–	Not applicable
Enhance the Group's production efficiency and technology in craftsmanship	38.4	38.4	36.2	2.2	Before December 2025
Repayment of the Group's bank borrowings, while such borrowings were principally used to finance the Group's working capital to support its business operation	25.1 <sup>4</sup>	62.0 <sup>3</sup>	62.0	–	Not applicable

*Notes:*

1. For the avoidance of doubt, any discrepancies between the total and the sums of the amounts listed in the table are due to rounding.
2. The Company expects to fully utilise the remaining unutilised net proceeds for enhancing the Group's sales and marketing efforts in the second half of 2025, representing a one-year delay in its expected timeframe. The delay is primarily due to the adjustment of its business development strategy as affected by the social, economic and environmental impacts on the macroeconomic environment in China.
3. The Board has resolved on 29 November 2022 to utilise approximately HK\$36.9 million of the net proceeds (approximately RMB30.0 million and approximately 7.8% of the net proceeds) to repay existing bank borrowings of the Group. For further details in respect of the change in use of proceeds from the Global Offering, please refer to the Change in Use of Proceeds Announcement.
4. The net proceeds for the planned use under the original allocation, being approximately HK\$25.1 million, have been fully utilised for the repayment of the Group's bank borrowings as set out in the Prospectus.



The Group completed the placing of 53,325,000 new H shares to Goertek (Hong Kong) Co., Limited at the placing price of HK\$15.86 per share on 16 January 2025, and the net proceeds from the Placing was approximately HK\$828.7 million. The net proceeds from the Placing will be utilised for the research, development, design and manufacturing of lenses and vision solutions for smart glasses and XR headsets. As at 30 June 2025, approximately HK\$49.3 million of the proceeds had been used, with the remaining unused net proceeds amounted to approximately HK\$779.4 million. Among such remaining proceeds, approximately HK\$351,000,000 (equivalent to US\$45,000,000) had been used for subscription of financial products as announced on 25 June 2025 as an interim financial arrangement to make use of the idle cash to maximise the interest of the Company and the Shareholders as a whole.

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

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.conantoptical.com](http://www.conantoptical.com)), and the interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be dispatched to the shareholders and published on the above websites in due course.

By order of the Board  
**Shanghai Conant Optical Co., Ltd.**  
**Fei Zhengxiang**  
*Chairman*

Hong Kong, 8 August 2025

*As at the date of this announcement, the Board comprises Mr. Fei Zhengxiang, Mr. Zheng Yuhong, Mr. Xia Guoping, Mr. Chen Junhua, Mr. Wang Chuanbao and Ms. Cao Xue as executive Directors; Ms. Zhao Xiaoyun and Mr. Tian Kehan as non-executive Directors; and Dr. Xiao Fei, Mr. Chen Yi, Dr. Wu Ying and Mr. Jin Yiting as independent non-executive Directors.*