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**SICC CO., LTD.**

**山東天岳先進科技股份有限公司**

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

**(Stock Code: 2631)**

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

**FINANCIAL HIGHLIGHTS**

- During the Reporting Period, the Group recorded a total revenue of approximately RMB793.81 million, representing a decrease of approximately 12.98% as compared to RMB912.23 million for the corresponding period in 2024;
- During the Reporting Period, the Group's research and development expenses amounted to approximately RMB75.85 million, representing an increase of approximately 34.94% as compared to RMB56.21 million for the corresponding period in 2024;
- During the Reporting Period, the Group's net profit attributable to the shareholders of the listed company was approximately RMB10.88 million, representing a decrease of approximately 89.32% as compared to RMB101.89 million for the corresponding period in 2024; and
- The board of directors proposes not to declare an interim dividend for the six months ended 30 June 2025.

The board (the **"Board"**) of directors (the **"Director(s)"**) of SICC Co., Ltd. (the **"Company"**) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the **"Group"**) for the six months ended 30 June 2025 (the **"Reporting Period"**), together with unaudited comparative figures for the six months ended 30 June 2024.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 (the **"Interim Financial Information"**) have been prepared by the Company in accordance with International Accounting Standard 34 Interim Financial Reporting (**"IAS 34"**). The Interim Financial Information has not been audited, but has been reviewed by the audit committee under the Board of the Company (which is composed of Mr. Li Honghui, Ms. Liu Hua and Mr. Lai Kwok Hung Alex, all being independent non-executive Directors). The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the audit committee regarding the accounting treatment adopted by the Company. These interim results are extracted from the Interim Financial Information.

## INTERIM FINANCIAL INFORMATION

In this announcement, unless otherwise indicated in the context, the currency is RMB.

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

*For the six months ended 30 June 2025*

		For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
	Notes		
Revenue	4	793,805	912,232
Cost of sales		(658,194)	(705,449)
<b>Gross profit</b>		<b>135,611</b>	<b>206,783</b>
Other income		448	156
Other gains and losses, net	5	56,693	46,944
Net investment income		49	874
Reversal of/(provision for) impairment losses on financial assets		968	(1,763)
Selling expenses		(13,498)	(10,149)
Administrative expenses		(90,465)	(89,327)
Research and development expenses		(75,847)	(56,210)
Finance (expenses)/income, net		(3,715)	5,746
Share of results of associates		(2,645)	(115)
Profit before tax		7,599	102,939
Income tax credit/(expense)	6	3,281	(1,051)
<b>Profit for the period</b>		<b>10,880</b>	<b>101,888</b>
<b>Other comprehensive income for the period</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		2,803	(4,280)
<b>Total comprehensive income for the period</b>		<b>13,683</b>	<b>97,608</b>
<b>Earnings per share</b>			
Basic (RMB)	8	0.03	0.24
Diluted (RMB)	8	0.03	0.24

# CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>3,706,647</b>	3,747,168
Right-of-use assets		<b>258,048</b>	265,451
Intangible assets		<b>16,926</b>	17,857
Financial assets at fair value through profit or loss		<b>2,142</b>	2,093
Investment in associates		<b>22,192</b>	26,899
Deferred tax assets		<b>65,053</b>	59,933
Other non-current assets		<b>129,264</b>	112,651
<b>Total non-current assets</b>		<b>4,200,272</b>	4,232,052
<b>Current assets</b>			
Trade and other receivables	10	<b>575,963</b>	575,837
Prepayment	10	<b>45,481</b>	39,062
Inventories		<b>1,050,722</b>	1,021,876
Other current assets		<b>202,140</b>	248,680
Cash and bank balances		<b>1,631,222</b>	1,239,198
<b>Total current assets</b>		<b>3,505,528</b>	3,124,653
<b>Total assets</b>		<b>7,705,800</b>	7,356,705

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>RMB'000 (Unaudited)</b>	<b>RMB'000 (Audited)</b>
<b>Current liabilities</b>			
Trade and other payables	11	817,043	842,648
Contract liabilities		7,148	45,150
Borrowings		695,009	609,263
Tax payables		31,700	32,921
Other current liabilities		858	8,832
Lease liabilities		2,771	3,961
<b>Total current liabilities</b>		<b>1,554,529</b>	<b>1,542,775</b>
<b>Net current assets</b>		<b>1,950,999</b>	<b>1,581,878</b>
<b>Total assets less current liabilities</b>		<b>6,151,271</b>	<b>5,813,930</b>
<b>Non-current liabilities</b>			
Borrowings		315,000	85,737
Contract liabilities		43,927	44,104
Other non-current liabilities		5,711	5,734
Deferred income		456,837	365,373
<b>Total non-current liabilities</b>		<b>821,475</b>	<b>500,948</b>
<b>NET ASSETS</b>		<b>5,329,796</b>	<b>5,312,982</b>
<b>Capital and reserves</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		429,711	429,711
Capital reserve		5,101,479	5,098,348
Treasury shares		(100,243)	(100,243)
Surplus reserve		12,761	12,761
Exchange reserve		(1,821)	(4,624)
Accumulated losses		(112,091)	(122,971)
<b>TOTAL EQUITY</b>		<b>5,329,796</b>	<b>5,312,982</b>

# NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. INFORMATION

The Company was established in the People's Republic of China (the “**PRC**”) on November 2010. In January 2022, the Company's shares were listed on the Sci-Tech innovation board of the Shanghai Stock Exchange with stock code 688234. The Company's H shares have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 20 August 2025.

The Company's registered office and the principal place of business activities is located at No. 99, South Tianyue Road, Huaiyin District, Jinan City, Shandong Province, PRC.

The Company is principally engaged in research and development, manufacturing and sales of SiC substrates for the six months ended 30 June 2025.

Mr. Zong Yanmin is the controlling shareholder of the Company.

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting issued by the International Accounting Standards Board (the “**IASB**”) as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The accounting policies adopted in the condensed consolidated financial statements for the six months ended 30 June 2025 are prepared in accordance with the same accounting policies adopted in the historical financial information for the years ended 31 December 2022, 2023 and 2024 and period ended 31 March 2025 (the “**Historical Financial Information**”) of the Accountants' Report set out in Appendix 1 to the prospectus of the Company in connection with the global offering of H shares of the Company on the Stock Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full set of financial statements prepared in accordance with IFRS Accounting Standards. Therefore, this interim condensed consolidated financial information should be read in conjunction with the historical financial information.

This interim condensed consolidated financial information is presented in Renminbi (“RMB”), and all amounts are rounded to the nearest thousand, unless otherwise stated.

### **3. APPLICATION OF REVISED IFRS ACCOUNTING STANDARDS**

In the current interim period, the Group has applied the following amendments to an IFRS Accounting Standard issued by the IASB, 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	<i>Lack of Exchangeability</i>
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The application of the amendments to an IFRS Accounting Standard in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### **4. SEGMENT INFORMATION AND REVENUE**

For the purposes of assessing performance and allocating resources, the Group’s operation is regarded as one reportable operating segment which is the SiC substrates segment. The segment engages in research and development, manufacturing and sales of SiC substrates. The executive directors of the Company review the financial performance and position for the period of the Group as a whole. Accordingly, no segment information is presented.

The Group’s revenue streams are categorised as follows:

- Sales of SiC semiconductor material; and
- Others

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales of SiC semiconductor material	<b>657,511</b>	752,598
Others	<b>133,079</b>	159,041
	<u><b>790,590</b></u>	<u>911,639</u>
<b>Contracts with customers</b>	<b>790,590</b>	911,639
<b>Revenue from contracts with customers by timing of recognition within IFRS 15</b>		
Point in time	<b>789,427</b>	911,436
Over time	<b>1,163</b>	203
	<u><b>790,590</b></u>	<u>911,639</u>
<b>Contract with customers</b>	<b>790,590</b>	911,639
<b>Revenue from other sources</b>		
Rental income	<b>3,215</b>	593
	<u><b>3,215</b></u>	<u>593</u>

## 5. OTHER GAINS AND LOSSES, NET

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Government grant and others	<b>36,402</b>	23,091
Net foreign exchange gain	<b>5,142</b>	6,582
(Loss)/gain on (written off)/disposal of property, plant and equipment	<b>(7)</b>	105
VAT input tax deduction	<b>—</b>	17,166
Gain on disposal of investment in an associate	<b>15,156</b>	—
	<u><b>56,693</b></u>	<u>46,944</u>
<b>Total</b>	<b>56,693</b>	46,944

## 6. INCOME TAX CREDIT/(EXPENSE)

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Current tax</b>		
— PRC Enterprise Income Tax (“EIT”)	1,831	3,622
— Others	8	149
	<hr/>	<hr/>
Subtotal	1,839	3,771
Deferred tax	(5,120)	(2,720)
	<hr/>	<hr/>
Total income tax (credit)/expense	<u>(3,281)</u>	<u>1,051</u>

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the standard EIT rate of the PRC subsidiaries is 25%. For the PRC subsidiaries approved as “High and New Technology Enterprise” by the relevant government authorities, they are subject to a preferential rate of 15%. For the PRC subsidiaries approved as “Micro and Small Enterprise” by the relevant government authorities, which the annual taxable income that is not more than RMB1,000,000 shall be included in its taxable income at the reduced rate of 25% for year ended 31 December 2023 to 2027, with the applicable enterprise income tax rate of 20%.

The group entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% on the estimated assessable profits for the six months ended 30 June 2025 and 30 June 2024. On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%.

Taxation arising from other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

## 7. DIVIDEND

No interim dividend is proposed for the six months ended 30 June 2025 and 2024.



## 8. EARNINGS PER SHARE

### (a) *Basic earnings per share*

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

	<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>
Earnings for the purpose of calculating basic earnings per share	<b><u>10,880</u></b>	<b><u>101,888</u></b>

### **Number of shares:**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Weighted average number of ordinary shares in issue, excluding treasury shares held for restricted share scheme as these shares are not considered outstanding for the purpose of calculating basic earnings per share	<b><u>427,705,160</u></b>	<b><u>428,649,365</u></b>

### (b) *Diluted earnings per share*

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

	<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>
Earnings for the period attributable to owners of the Company and the earnings for the purpose of calculating diluted earnings per share	<b><u>10,880</u></b>	<b><u>101,888</u></b>

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

**Number of shares:**

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Unaudited)
Weighted average number of ordinary shares for the purpose of calculating basic earnings per shares	<b>427,705,160</b>	428,649,365
Effect of restricted shares	<b>171,916</b>	—
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	<b><u>427,877,076</u></b>	<u>428,649,365</u>

## **9. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2025, the Group acquired property, plant and equipment at a cost of RMB131.35 million, excluding property, plant and equipment transferred from construction in progress (for the year ended 31 December 2024: the Group acquired property, plant and equipment at a cost of RMB446.2 million, excluding property, plant and equipment transferred from construction in progress).

During the six months ended 30 June 2025, the Group had no disposal of property, plant and equipment (for the year ended 31 December 2024: property, plant and equipment with net book value of RMB1.7 million were disposed of by the Group, resulting in gain on disposal of RMB0.4 million).

## 10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables	518,912	520,264
Bills receivables	38,781	46,156
Other receivables	18,270	9,417
	<hr/>	<hr/>
Trade and other receivables	575,963	575,837
Prepayment <sup>(Note)</sup>	45,481	39,062
	<hr/>	<hr/>
Total	<u>621,444</u>	<u>614,899</u>

*Note:* Prepayments mainly consist of money paid to suppliers of inventories.

The Group generally allows a credit period ranging from 60 to 180 days to its customers. The following is aging analysis of trade receivables (net of allowance for impairment losses), presented based on the invoice dates, at the end of each reporting period:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 90 days	342,083	420,264
91 to 180 days	137,057	79,558
181 days to 1 year	39,772	20,250
Over 1 year	—	192
	<hr/>	<hr/>
Total	<u>518,912</u>	<u>520,264</u>

Movements in lifetime ECL that have been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 for the six months ended 30 June 2025 and for the year ended 31 December 2024:

	As at <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
At the beginning of period/year	<b>27,454</b>	16,252
Provided	<b>30</b>	11,278
Reversal	<b>(173)</b>	—
Exchange difference	<b>—</b>	(76)
	<hr/>	<hr/>
At the end of period/year	<b><u>27,311</u></b>	<b><u>27,454</u></b>

## 11. TRADE AND OTHER PAYABLES

	As at <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables	<b>416,684</b>	617,039
Bills payable <sup>(Note)</sup>	<b>356,152</b>	153,728
Other payables	<b>44,207</b>	71,881
	<hr/>	<hr/>
Total trade and other payables	<b><u>817,043</u></b>	<b><u>842,648</u></b>

*Note:* As at 30 June 2025 and 31 December 2024, the Group's bills payable of approximately RMB356,152,000 and RMB153,728,000 were secured by certain of the Group's deposits of approximately RMB90,197,000 and RMB64,317,000 respectively.

Payment terms with suppliers are mainly on credit ranging from 30 to 90 days from invoice date. The following is an aging analysis of trade payables presented based on transaction date at the end of each of the reporting period:

	As at <b>30 June</b> <b>2025</b> <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 90 days	<b>148,767</b>	268,777
91 days to 180 days	<b>30,330</b>	27,126
181 days to 1 year	<b>84,594</b>	89,670
Over 1 year	<b>152,993</b>	231,466
	<hr/>	<hr/>
Total	<b>416,684</b>	617,039
	<hr/> <hr/>	<hr/> <hr/>

## 12. SUBSEQUENT EVENTS

As at 20 August 2025, the H ordinary shares of the Company were listed on the Stock Exchange. Subsequently, the Company issued a total of 47,745,700 ordinary shares (prior to the exercise of the Over-allotment Option) with a par value of HK\$42.80 per share for cash pursuant to the public offering.

## MANAGEMENT DISCUSSION AND ANALYSIS

### I. DESCRIPTION OF THE INDUSTRY AND MAIN BUSINESS OF THE COMPANY

According to the Industrial Classification for National Economic Activities (《國民經濟行業分類》) (GB/T4754-2017) issued by the National Bureau of Statistics, the Company operates under the Division 398 “Electronic Components and Specialized Electronic Materials Manufacturing” in the Class 39 “Computer, Communication and Other Electronic Equipment Manufacturing”. According to the Classification of Strategic Emerging Industries (2018) (《戰略性新興產業分類(2018)》) issued by the National Bureau of Statistics, the Company’s products fall under “1.2.3 High-Energy Storage and Key Electronic Materials Manufacturing” and “3.4.3.1 Semiconductor Crystal Manufacturing”, both designated as strategic emerging industries that are actively encouraged and supported by the state in China.

In the current era, energy transition and artificial intelligence (AI) are dual critical engines driving the future technology revolution. Building a world of growth, innovation, and sustainability stands as the core objective of the advancement and integrated development of energy transition and AI technologies. SiC materials have emerged as one of the cornerstones empowering energy transition and AI to achieve their core development goals.

SiC, a compound material composed of carbon and silicon elements, features high hardness and excellent physical and chemical properties. Characterized by high-voltage resistance, high-frequency resistance, high thermal conductivity, high-temperature stability, and a high refractive index, SiC materials serve as crucial materials for cost-reduction and efficiency-enhancement in numerous industries. SiC materials take the lead in promoting the transformation of the semiconductor industry, and are beginning to accelerate their penetration into and application in more fields, with broad industry prospects.

Compared with silicon-based semiconductors, wide bandgap semiconductors represented by SiC and GaN have prominent performance advantages from the material to the device level. They feature high frequency, high efficiency, high power, high-voltage resistance, and high-temperature resistance, and are an important direction for the future development of the semiconductor industry. Among them, SiC exhibits unique physical and chemical properties. Characteristics such as its high bandgap width, high breakdown electric field strength, high electron saturated drift velocity, and high thermal conductivity enable it to play a crucial role in applications such as power-electronic devices. These properties endow SiC with significant advantages in high-performance application fields such as electric vehicles and photovoltaics, especially in terms of stability and durability.

SiC substrates can be widely applied in downstream products such as power semiconductor devices, radio-frequency semiconductor devices, optical waveguides, TF-SAW filters, and heat-dissipation components. The main application industries include electric vehicles, photovoltaics and energy storage system, power grid, rail transportation, telecommunications, AI glasses, smartphones, semiconductor lasers, etc.

As a substrate manufacturer, the Company is an upstream participant in the entire SiC semiconductor device industry chain and a crucial link in the industry chain that transforms raw materials into substrate products that can be used by downstream players. With the robust demand in downstream applications, the stable release of SiC market production capacity, synergies across the upstream and downstream industrial chain, and the core technological competitiveness of SiC manufacturers will become the key focuses of the global wide bandgap semiconductor industry in the future.

## **II. OPERATION OF THE GROUP**

In the first half of 2025, as the global new energy vehicles, renewable energy industries and other related fields continued to expand, energy transition had increasingly become a core goal of global development, and the market demand for SiC materials is experiencing exponential growth. At the same time, SiC materials are also an inevitable choice for growth and innovation in the AI industry, with vast potential in data centers, power infrastructure and end-device applications. Major countries worldwide continue to intensify their strategic layout in the SiC semiconductor sector.

The Company has focused on the research, development and industrialization of high-quality SiC substrates. The Company has been one of the few companies in the world capable of mass producing 8-inch SiC substrates, one of the first to commercialize SiC substrates ranging from 2-inch to 8-inch and the first to introduce 12-inch SiC substrates.

As a leader in the global wide bandgap semiconductor material industry, our management closely focuses on development strategies and annual operating goals of the Company to optimize internal production management, enhance process technologies, and improve product yields, while remaining steadfast in R&D innovation and market expansion. Meanwhile, we proactively increase revenue and reduce expenditure, exercise reasonable cost control, and promote lean improvements and other measures, thereby achieving cost reduction and efficiency improvement.

## **(I) Operation of the Company**

### ***1. Deepening core businesses and consolidating competitive advantages***

In the first half of 2025, the Group continued to expand both the production capacity and volume of its core products. The Jinan Plant of the Group steadily enhanced its production capacity and volume through technological and process improvements, while Shanghai Lingang Plant had reached its planned annual capacity of 300,000 pieces of conductive substrates ahead of schedule by mid-2024, and was currently promoting the second phase of the capacity expansion plan, bringing the aggregate designed capacity of the two plants to over 400,000 pieces.

In the first half of 2025, the Group achieved revenue of RMB794 million, and the net profit attributable to shareholders of the listed company amounted to RMB10,880,200. This change was mainly due to the Group's strategic increase in R&D investment.

### ***2. Deeply exploring new orders from cooperative customers and expanding new customers***

With the increasing global demand for green and low-carbon energy, SiC materials have ushered in broad market prospects in the new energy vehicle and photovoltaic industries. By strengthening its long-term strategic layout in SiC substrates, the Group has seized emerging opportunities, expanded its market share, and laid a solid foundation for sustained growth in the future. At the same time, the Group has continued to optimize the product structure of SiC substrates, and enhance the penetration of large-diameter, high-quality SiC substrate products across various areas. By deeply exploring existing cooperative customers while expanding new customers and products, the Group has maintained its competitiveness in the SiC materials market, fostered win-win collaboration across the industrial chain, and further enhanced its global influence.

The Group has achieved stable quality and mass supply of 8-inch conductive substrate products. As of the end of the Reporting Period, the Group has established business relationships with over half of the top ten global power semiconductor device manufacturers, further strengthening its customer ecosystem. The Group has continued to extend into emerging sectors such as optics, and has established cooperation with leading global optical manufacturers. Meanwhile, the Group has secured a number of orders from leading global optical manufacturers, and realized sales of SiC substrate products for optical applications.



In July 2025, the Company entered into a strategic cooperation with Sunny OmniLight NanoOptics Co., Ltd. (舜宇奧來微納光學(上海)有限公司), marking a new chapter of collaboration between two industry leaders in micro-nano optics and new materials. By combining the Company's strengths in advanced materials with Sunny OmniLight's expertise in optical technologies, this partnership is expected to accelerate the application of SiC substrate materials in the optical field, opening an emerging blue ocean market.

In March 2025, according to the estimates in a report issued by Fuji Keizai Japan, an authoritative industry research institute, the Group had occupied a market share of 22.8% in the global conductive SiC substrate material market in 2024, ranking among the top three in this market. The Group and its products have a high reputation across international markets.

In August 2025, the Company reached a basic agreement with Toshiba Electronic Devices & Storage Corporation (hereinafter referred to as **“Toshiba Electronic Devices”**) in relation to the Company's development and manufacture of SiC substrates for power semiconductor devices, pursuant to which the two parties will explore technical collaboration to improve the characteristics and quality of SiC power semiconductors and commercial cooperation to expand the supply of stable, high-quality substrates by leveraging the results of this cooperation. Based on this agreement, Toshiba Electronic Devices, with an established track record in developing, manufacturing and selling SiC power semiconductors for railways, is currently accelerating the development of SiC devices for applications including server power supplies and the automotive segment. In the future, it aims to further reduce power losses in SiC power semiconductors and to develop high-reliability and high-efficiency products for high-efficiency power conversion applications.

3. *Continuously enriching the product matrix to empower the expansion of downstream applications*

The Group has taken a forward-looking approach in shaping its SiC substrate product matrix. The Group's 8-inch conductive substrate products stand out in both quality and mass supply capability. As one of the few global market participants capable of mass delivering 8-inch SiC substrates, the Group has continued to drive leading customers to accelerate their transition toward 8-inch SiC substrates.

In November 2024, the Group successfully delivered high-quality, low-resistance P-type SiC substrates to its customers, marking a significant step forward into higher-voltage applications represented by smart grids. These high-quality, low-resistance P-type SiC substrates will greatly accelerate the development process of high-performance SiC-IGBTs and help achieve the localization of high-end ultra-high voltage power devices.

In November 2024, the Group introduced the industry's first 12-inch SiC substrate, which can further expand the area available for chip manufacturing on a single wafer and significantly increase the yield of qualified chips. Under the same production conditions, the 12-inch SiC substrate can significantly increase production, reduce unit costs, and further enhance economic benefits, making it possible for the larger-scale application of SiC materials.

Currently, the Group has established a product matrix of 6/8/12-inch SiC substrates, including 12-inch high-purity semi-insulating SiC substrates, 12-inch conductive P-type SiC substrates and 12-inch conductive N-type SiC substrates. As the SiC industry fully enters the "12-inch era", the Group will leverage its ultra-large-size technologies and products to further deepen its presence in the blue ocean market of SiC semiconductor materials.

## **(II) R&D and Innovation**

The Group is committed to R&D and innovation, with a focus on on fundamental research, product development and engineering R&D to ensure that the Group not only keeps up with technological advancements but also continually enhances the Group's product offerings, thus fortifying the Group's role as a leader in wide bandgap semiconductor materials. In the first half of 2025, the Group's R&D expenses were RMB75.85 million, representing a year-on-year increase of 34.94%, mainly used for technological breakthroughs in large-size substrate products and the expansion of emerging application areas such as AR glasses.

The Group has invested substantial resources in the research and development of SiC substrates and production technologies, thereby ensuring the stable, mass delivery of high-quality SiC substrates. Currently, the Group ranks among the world's first echelon in substrate preparation, and leads the development of the industry with fully independent R&D and innovation in fundamental research, product development and engineering R&D.

The Group pioneered the use of the liquid-phase method in the industry to produce 8-inch SiC substrates free from macroscopic defects, overcoming the challenges of high-quality growth interface control and defect control for SiC monocrystal. At the same time, the Group has been one of the first companies to produce P-type SiC substrates using the liquid-phase method.

As of the end of the first half of 2025, the Company and its subsidiaries had been granted a total of 197 invention patents and 305 utility model patents, including 14 overseas invention patents. According to Yole’s intellectual property research company, the Group ranked among the world’s top five players in SiC substrate patents.

As of the end of the Reporting Period, the Group’s R&D team included 63 members holding a master’s or doctoral degree, accounting for 36.63% of our total R&D workforce. The Group has two experts who receive special government allowances from the State Council.

### **(III) Achievements and Honors in the First Half of the Year**

In December 2024, the Company was awarded the Data Management Capability Maturity Assessment Model (DCMM) Level 3 Certificate by the China Federation of Electronics and Information Industry after a rigorous review process, marking another milestone achievement of digital and low-carbon development based on its wide bandgap semiconductor technologies. The Company has established a comprehensive and standardized data management system to provide reliable, scientific and efficient data support for corporate decision-making and management operations, thereby significantly enhancing market competitiveness, management sophistication and operational resilience of the Company.

In May 2025, the Shandong Provincial Government officially announced the fourth batch of the “Good Products of Shandong” brand list for 2025, and the Company was selected into the list for the recognition of its world-leading SiC technological strength, achievements in green and low-carbon intelligent manufacturing, and international brand influence! This marks that the Company has become a “benchmark force” not only in Shandong Province but also across China’s semiconductor industry, benefiting from its continuous innovation and high-quality development.

In June 2025, the Company was honored the Silver Award of the 25th China Patent Award. This Award represents a strong affirmation of our technological innovation and the industrialization of our technological inventions, as well as a full recognition of our significant breakthroughs in core technologies of SiC semiconductors and our capability for independent, controllable innovation.

On 4 June 2025, the Company won the Gold Award in the “Semiconductor Electronic Materials” category from Electronic Device Industry News, a leading Japanese semiconductor media, for our revolutionary breakthrough in SiC substrate material technology. It was the first time that the Award was granted to a Chinese company in its 31-year history and that the top honor was awarded to SiC substrate material technology in the history of the Award. Past laureates mainly include global semiconductor giants such as Infineon, Sony and Micron. This award underscores China’s historic breakthrough in key basic semiconductor materials as well as China’s international leadership in wide bandgap semiconductor material technologies.

#### **(IV) Successful Listing of H Shares**

In order to accelerate our internalization and overseas business expansion, enhance our offshore financing capacity, and further bolster our capital strength and competitive edge, the Company, in line with our overall development strategy and operational needs, published an announcement on its plan to issue shares (H Shares) overseas for listing on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “**Hong Kong Stock Exchange**”) (hereinafter referred to as “**H-Share Listing**”), and officially launched the relevant preparatory process for the H-Share Listing in December 2024.

Subsequently, the Company held the Board meetings and general meetings successively in January and February 2025 to review and approve matters related to the H-Share Listing, and submitted its application for this issuance to the Hong Kong Stock Exchange on 24 February 2025. In June 2025, the Company received the Notice of Filing for Overseas Issuance and Listing of SICC Co., Ltd. (《關於山東天岳先進科技股份有限公司境外發行上市備案通知書》) issued by the China Securities Regulatory Commission, approving its proposal to issue up to 87,206,050 overseas listed ordinary shares for listing on the Hong Kong Stock Exchange. With the approval of the Hong Kong Stock Exchange, the Company made an offering of 47,745,700 H Shares (before the exercise of the Over-allotment Option) for listing and trading on the Main Board of the Hong Kong Stock Exchange on 20 August 2025. The Company’s H Shares are abbreviated as “天岳先進” in Chinese and “SICC” in English, with the stock code “2631.HK”.

The Company’s successful listing on the Hong Kong Stock Exchange marks a qualitative transformation of China’s SiC industry from “supplying high-quality products” to achieving the full integration of “technology + standards + capital”. Leveraging the dual engines of new energy and artificial intelligence driving the future technology revolution, the Company will build a global capital and marketing network through its listing on the Hong Kong Stock Exchange, forge a technological moat through technological innovation, and chart a new course for the development of the global SiC industry.

In 2025, the global SiC industry stands at a critical stage of profound transformation and strategic restructuring. Facing multiple challenges and abundant opportunities, this year marks a pivotal moment for the Group to make breakthroughs for its future development. SICC is committed to building its core competitiveness for long-term development based on technologies, production capacity, customers and markets.

As a leader in the SiC industry, the Group will adhere to our established development strategies and uphold the business philosophy of “Sustaining Advanced Quality”. Leveraging our advanced technology, production capabilities and efficient manufacturing advantages, we will continue reducing the overall cost of SiC substrates, drive the commercialization of high-performance SiC substrates across various application scenarios, increase their penetration in the power semiconductor market, and establish a sustainable foundation for long-term development.

### **III. FINANCIAL REVIEW**

#### **Analysis of Profit or Loss**

##### ***Revenue***

During the Reporting Period, the Group achieved a total revenue of approximately RMB793.81 million, representing a decrease of approximately 12.98% compared to RMB912.23 million in the same period of 2024, primarily due to a year-on-year decline in the selling prices of substrates, as the Company proactively pursued deeper penetration of its SiC substrate materials in downstream applications and aimed to increase its product market share.

##### ***Selling expenses***

During the Reporting Period, the Group’s selling expenses amounted to approximately RMB13.50 million, representing an increase of approximately 33.00% compared to RMB10.15 million in the same period of 2024, primarily due to an increase in complimentary samples provided to customers.

##### ***Administrative expenses***

During the Reporting Period, the Group’s administrative expenses were approximately RMB90.47 million, representing an increase of approximately 1.28% compared to RMB89.33 million in the same period of 2024, mainly attributable to higher depreciation, amortisation, and consulting expenses classified under administrative expenses.

### ***R&D expenses***

During the Reporting Period, the Group's R&D expenses were approximately RMB75.85 million, representing an increase of approximately 34.94% compared to RMB56.21 million in the same period of 2024, mainly due to increased investment in the research and development of new products.

### ***Other gains and losses, net***

During the Reporting Period, the Group's net other income and losses amounted to approximately RMB56.69 million, representing an increase of approximately 20.77% compared to RMB46.94 million in the same period of 2024, primarily driven by an increase in government grants received and gain on disposal of investment in an associate.

## **Cash Flow Analysis**

### ***Net cash generated from operating activities***

During the Reporting Period, the Group's net cash generated from operating activities was approximately RMB272.16 million, representing an increase of approximately 345.05% compared to RMB-109.99 million in the same period of 2024, mainly due to a decrease in cash payments for purchases.

### ***Net cash used in investing activities***

During the Reporting Period, the Group's net cash used in investing activities was approximately RMB201.74 million, representing an increase of approximately 180.04% compared to RMB72.04 million in the same period of 2024, primarily due to the redemption of wealth management products in the prior period, with no such redemptions occurring in the current period.

### ***Net cash generated from financing activities***

During the Reporting Period, the Group's net cash generated from financing activities was approximately RMB302.11 million, representing an increase of approximately 4.74% compared to RMB288.45 million in the same period of 2024, mainly due to share repurchases carried out in the prior period, whereas no such repurchases were made in the current period.



### ***Foreign exchange risk and hedging***

Several subsidiaries of the Group have foreign currency sales and purchases, capital expenditure and cash and bank balances, exposing the Group to foreign exchange risk. These subsidiaries primarily use foreign currencies such as US dollars, Japanese yen, and Euros. Management monitors foreign exchange exposure and will consider hedging significant currency risks when necessary.

### ***Contingent liabilities***

As of 30 June 2025, there were no material contingent liabilities, guarantees, or any pending or threatened significant litigation or claims against any member of the Group.

## **IV. PROSPECT AND OUTLOOK**

In the second half of 2025, the Company will adapt to the evolving landscape, uphold the value of “Sustaining Advanced Quality”, and strive toward the strategic goal of “becoming an internationally renowned semiconductor material company”. Key initiatives will include.

1. In terms of sales, the Company will maintain full-scale high-quality compliance, strengthen the dual-engine drive of SiC substrate products from the new energy and AI markets, continue to leverage the advantages of high-quality and large-size products, accelerate the expansion into emerging application areas, and keep raising the penetration rate of silicon carbide products. It will further deepen external cooperation, proactively expand cooperation with high-quality global leading customers, and maximize the exploration of the global market potential of its products.
2. In terms of product, the Company will fully develop flagship products, improve the full lifecycle management of SiC substrate products, integrate resources, and drive high-quality sales growth.
3. In terms of R&D, the Company will continue to step up R&D efforts in core technology areas such as basic research, product development, and engineering R&D, utilize R&D resources efficiently, enhance innovation efficiency, emphasize high-quality innovation, and accelerate the market launch of SiC products for new application areas.

4. In terms of operations and management, the Company will strengthen operational excellence, optimize resource allocation, advance the progress of digitalization and informatization initiatives, and significantly improve management efficiency and standards. It will focus on talent recruitment, enhance the development of management personnel, consolidate the primary responsibilities of managers, strengthen performance assessment, and accelerate the survival of the fittest. Through a multi-faceted approach incorporating new technologies, new methods, and new concepts, the Company will effectively improve operational efficiency and continue to promote cost reduction and efficiency enhancement.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Reporting Period, the Company had no significant investments and/or material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **ROUNDING**

Certain amounts and percentages presented in this announcement have been rounded. Any discrepancies between the totals shown in the tables and the sums of the individual amounts are due to rounding.

## **CORPORATE GOVERNANCE**

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the “**Shareholders**”) and to enhance corporate value and accountability. The Company has adopted all applicable code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Hong Kong Listing Rules**”) as its code of corporate governance.

As the H shares of the Company (the “**H Shares**”) were not listed on the Hong Kong Stock Exchange during the Reporting Period, the Corporate Governance Code was not applicable to the Company during that period, but has become applicable to the Company since 20 August 2025, being the date on which the H Shares of the Company were listed on the Hong Kong Stock Exchange (the “**Listing Date**”). Since the Listing Date to the date of this announcement, the Company has complied with all applicable code provisions of Part 2 of the Corporate Governance Code except for the deviations as explained below. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.



Pursuant to Code Provision C.2.1 of the Corporate Governance Code, the role of chairman and the chief executive should be segregated and should not be performed by the same individual.

The roles of the Company's chairman of the board and chief executive officer have not been separated in accordance with Code Provision C.2.1 of the Corporate Governance Code. The roles of chairman of the Board and general manager are currently performed by Mr. Zong Yanmin. In view of Mr. Zong Yanmin's substantial contribution to our Group since its establishment and his extensive experience in the industry and corporate management, the Board considers that having Mr. Zong Yanmin acting as both our chairman of the Board and general manager will provide strong and consistent leadership to our Group and facilitate the efficient execution of the Company's business strategies.

Furthermore, the Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors, reflecting a significant degree of independence. Under the Board's oversight, its structure is well-balanced, with appropriate checks and balances in place to safeguard the interests of the Company and its Shareholders. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman of the Board and the general manager is necessary.

Pursuant to Code Provision D.1.2 of the Corporate Governance Code, the management of the Company is required to provide all members of the Board with monthly updates on the Company's business. The management of the Company currently reports to the Board on the Company's performance, position and prospects quarterly. The Board believes that with the executive Directors overseeing the daily operations of the Company and the effective communication between the executive Directors, the management and the non-executive Directors (including the independent non-executive Directors) on the Group's affairs, the current practice is sufficient for the members of the Board to discharge their duties. However, this constitutes a deviation from Code Provision D.1.2 of the Corporate Governance Code. The Board will continue to review this practice and shall make necessary changes when appropriate and report to the Shareholders accordingly.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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 as its code of conduct for securities transactions by the Directors and Supervisors. As the H Shares of the Company were not listed on the Hong Kong Stock Exchange during the Reporting Period, the relevant rules under the Model Code are not applicable to the Directors and Supervisors during the Reporting Period. Having made specific enquiries to all Directors and Supervisors, each Director and Supervisor has confirmed that he/she has complied with the required standards as set out in the Model Code during the period from the Listing Date and up to the date of this announcement.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

As at 20 August 2025, the H ordinary shares of the Company were listed on the Hong Kong Stock Exchange. Subsequently, the Company issued a total of 47,745,700 ordinary shares (prior to the exercise of the Over-allotment Option) with a par value of HK\$42.80 per share for cash pursuant to the public offering.

## **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The 47,745,700 H Shares (before any exercise of the Over-allotment Option) issued by the Company were successfully listed on the Main Board of the Hong Kong Stock Exchange on the Listing Date. In addition, the Over-allotment Option described in the Prospectus has not been exercised. Based on the Offer Price of HK\$42.80 per H Share, the net proceeds to be received by the Company from the Global Offering, after deduction of the underwriting commissions and other estimated expenses in connection with the Global Offering and assuming the Over-allotment Option is not exercised, are estimated to be approximately HK\$1,938 million, which will be used for the purposes set out in the Prospectus.

Since the H Shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange as at 20 August 2025, details of the utilization of net proceeds from the Global Offering were not available during the Reporting Period. As of the date of this announcement, there has been no change to the intended use of the net proceeds as disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. Should the net proceeds not be immediately utilized for their intended purposes, the Company will deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or applicable laws and regulations in other jurisdictions).

As of the date of this announcement, the proposed use of the net proceeds remains consistent with that previously disclosed in the Prospectus.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the entire six-month period ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company’s listed securities (including treasury shares as defined in the Listing Rules). During the six months ended 30 June 2025, the Company held 2,005,884 treasury shares and did not sell any treasury shares.

## **INTERIM DIVIDEND**

The Board proposes not to declare an interim dividend for the six months ended 30 June 2025.

## **PUBLICATION OF THE 2025 INTERIM RESULTS AND H SHARE INTERIM REPORT**

This 2025 interim results announcement is published on the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.sicc.cc](http://www.sicc.cc).

The H share interim report of the Company for the six months ended 30 June 2025 will be available on the aforesaid websites in due course for perusal and will be despatched in due course to Shareholders who have indicated that they wish to receive a printed copy.

By order of the Board

**SICC CO., LTD.**

**Mr. Zong Yanmin**

*Chairman of the Board, Executive Director  
and General Manager*

Hong Kong, 29 August 2025

*As at the date of this announcement, the Board comprises: (i) Mr. Zong Yanmin, Mr. Gao Chao and Mr. Wang Junguo as executive Directors; (ii) Mr. Qiu Yufeng, Ms. Li Wanyue and Mr. Fang Wei as non-executive Directors; and (iii) Mr. Li Honghui, Ms. Liu Hua and Mr. Lai Kwok Hung Alex as independent non-executive Directors.*